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West Floods Iraq With Counterfeit Currencies

Goal Is to Undermine Economy, Destabilizing Saddam's Government

By Youssef M. Ibrahim

AMMAN, Jordan — Iraq's economy is the target of an American-led destabilization campaign that has poured vast amounts of counterfeit currency into the country, Arab and Western officials here say.

The fake dinar notes are being smuggled across the Jordanian, Saudi, Turkish and Iranian borders in an effort to undermine the Iraqi economy, according to the officials here, who closely monitor the situation in Iraq.

The officials said counterfeit U.S. dollars were being smuggled into Iraq in smaller quantities to further confound the banking system. The officials said the countries behind the separate counterfeiting operations included Western nations, Saudi Arabia, Iran and Israel.

The fake currency is openly discussed in the press and by the Iraqi people. The counterfeiting problem has become serious enough to be loudly denounced by the government, which is

The Arabs want to ease Iraqi hardships from sanctions, the Arab League head says, Page 4.

taking measures to curb it, including instituting life sentences for cooperating in circulating counterfeit dollars or dinars and death sentences for those who smuggle them into the country.

The fake currency has contributed to Iraq's severe inflation problem, which is aggravated by the fact that the Iraqi government is printing large amounts of money to pay inflated salaries and cover the costs of reconstruction after the Gulf War.

In the last few months, the destabilization efforts seem to have shifted into high gear, officials in Amman say, particularly after the United States was reported in February to have authorized full-fledged covert operations against Iraq.

In Washington, a spokesman for the Central Intelligence Agency, Mark Mansfield, declined to discuss the dumping of fake currency in Iraq. "As a matter of policy we don't comment on such allegations," he said.

Along with international economic sanctions against Iraq, the covert measures have had mixed results since the Gulf War ended in February 1991. They have clearly helped weaken the economy to the point where the local currency could become worthless, and they have loosened President Saddam Hussein's grip on the people and forced his government to respond with a stepped-up reconstruction program to curtail shortages and restore basic services.

The measures also buttressed the assertion, shared by a rising number of Iraqi nationalists including Sunni Muslims and Christians, that the West and its allies will not be content with the removal of Mr. Saddam, but only with partitioning and destroying the country.

Further weakening the economy is the fact that legitimate Iraqi currency is not backed by any gold or hard currency because those are being used to import goods.

As a result, the dinar, which has a fixed rate of exchange equivalent to \$3, has a real value of about 7 percent of that, or 5 to 6 cents.

Some Iraqi travelers interviewed in Amman, including businessmen, said they expected the currency value to plunge much further soon. Since Iraq stopped doing business with Britain during the Gulf crisis and began printing its own money on lower-quality paper, counterfeiting has become much easier, sources said.

"People joke about it, and some have become experts in telling which denominations are

See IRAQ, Page 4



Victims' shoes and other belongings lying scattered amid broken glass at the scene of mortar attack in Sarajevo on Wednesday.

EC Votes to Penalize Serbia and Its Ally

Mortar Attack Kills 17 in Sarajevo Mall

But an Oil Ban Is Put Off Until Action by UN

By John F. Burns

PARIS — Eager to be seen taking the lead in the Yugoslav crisis, European Community governments moved on Wednesday to order a trade embargo against Serbia and Montenegro.

They also called on the United Nations to adopt similar sanctions in the hope of forcing an end to Serbian military intervention in Bosnia-Herzegovina.

But the representatives did not include oil in the sanctions, pending United Nations action.

The Europeans' move came just three days after they were publicly admonished by Secretary of State James A. Baker 3d for moving slowly to tackle what he called the "immense humanitarian nightmare" gripping Bosnia since it declared its independence from Yugoslavia.

The Community decision, reached after a daylong meeting of representatives at its Brussels headquarters, must still be endorsed by foreign ministers. But this is expected to be a formality.

European diplomats said the embargo should come into force some time next week.

Political experts said the Community, which assumed responsibilities for brokering a political settlement in Yugoslavia 11 months ago, was intent to act before the United Nations Security Council. Council members are themselves expected to impose a trade embargo on Serbia and Montenegro later this week.

Charles Goldsmith of the International Herald Tribune reported from Brussels: European Community representatives agreed Wednesday to impose limited trade sanctions on Serbia and Montenegro. But they stopped short of adopting an oil embargo pending action by the United Nations.

The EC urged the United Nations to follow the Community in imposing a ban on trade with the two remaining members of Yugoslavia and also urged a UN oil embargo.

EC diplomats acknowledged, however, that the trading ban was mostly symbolic.

"This is a political decision," said one official. "There's very little trade left with Serbia and Montenegro."

The decision by the EC officials must be endorsed by Community ministers before it can take effect. But diplomats said that such a step was certain and could take place as soon as Monday at a meeting of Community education ministers in Luxembourg.

The EC trade sanctions include a ban on export credits and an end to scientific and technical cooperation. But they do not include a freeze on assets, a ban on sports contacts or an end to landing rights of JAT, the national airline, officials said.

The measures adopted at the meeting thus

See SANCTIONS, Page 4

Bush and Clinton Both Hope Perot Will Hurt the Other Guy More

By Dan Balz and Ann Devroy

WASHINGTON — At a moment when they might be savoring the successful end of a long and difficult primary season, campaign advisers to President George Bush and Governor Bill Clinton are scrambling to find the silver lining in the spring thunderstorm known as Ross Perot.

The sudden emergence of Mr. Perot as a serious presidential contender has prompted Mr. Bush and Mr. Clinton to adapt their messages and re-evaluate their electoral strategies while hoping the Texas billionaire's likely candi-

didacy either fades as the summer goes on or hurts the other guy more. But it is the Republicans who sound more alarmed at the moment.

"We've got 40 opinions here on what to do, four competing power centers and no consensus," a senior White House official said. "The

Even off ballot, Perot makes a mark, Page 3.

only thing I can say is, Thank God it's not August yet."

Mr. Clinton's campaign is preparing to steal a page from Mr. Perot's campaign book by using new technologies to beam their candidate directly into voters' homes, but for now both sides are spending their time analyzing Mr.

Perot's appeal — the Democrats by looking at all available polls and the Bush campaign by conducting focus groups with voters that have turned up disturbing news for the president.

The focus groups, conducted in five cities since late April with voters who supported Mr. Bush in 1988 but are now wavering, found that a majority interviewed now support Mr. Perot.

According to sources, that is in part because of resentment against Mr. Bush for caring more about overseas concerns than those at home, despite seven months of White House efforts to dispel it.

Mr. Perot's independent candidacy and a three-way race upends conventional assumptions about the electoral map.

For Mr. Clinton, the danger is that Mr. Perot's particular appeal in the West will rob the Democrats of such states as California, Oregon and Washington, without which Mr. Clinton probably cannot win the White House.

For Mr. Bush, the fear is that Mr. Perot will undercut the traditional Republican advantage in the electoral college based on the South, where swing voters might defect from the Republicans to his candidacy, and the Democrats have a base that Mr. Clinton could exploit and carry states that have belonged to the Republicans.

Bush advisers are examining three possible scenarios for the general election: a three-way race or two-way contests with Mr. Clinton or

with Mr. Perot as their main opponent. Both camps believe Mr. Perot's popularity will decline, but there are doubts inside both campaigns. Most say the outcome of the election will not become clear until the fall.

A major threat to Mr. Clinton is that Mr. Perot's candidacy cuts to the core of the Arkansas governor's presumed appeal as an outsider who will shake up the Washington establishment.

But Paul Tully, political director of the Democratic National Committee, said the advantage for Mr. Clinton over the longer term was that the people most attracted to Mr. Perot,

See PEROT, Page 4

Kiosk

Killing May Fuel Haitian Exodus

PORT-AU-PRINCE, Haiti (NYT) — A spate of terrorist-type incidents here has raised fears of deeper turmoil pushing more Haitians to flee their country.

Unidentified gunmen on Tuesday evening killed Georges Izemey, a prominent merchant and the brother of one of the closest supporters of the deposed president, the Reverend Jean-Bertrand Aristide. Many Haitians say the incident fits in a rising tide of killings and disappearances that reflect the growing insecurity of the military amid an international embargo and growing signs of internal resistance. The embargo, meanwhile, has so far succeeded only in crippling the Haitian economy. (Page 3.)

Business / Finance

Sprint is buying Centel to create an integrated American phone company. Page 11.

Crossword Page 5.

Washer Page 2.

The Dollar in New York

DM 1.637

Pound 1.7949

Up 8.23 Yen 130.18

3,370.44 FF 5.496

Weimar Mystery: Art Treasure Underfoot?

By Stephen Kinzer

WEIMAR, Germany — From the surface, nothing about Karl-Marx-Platz in this historic town seems remarkable. It is a broad, rectangular plaza, flanked by two long concrete office blocks built during the Nazi period.

There is growing evidence, however, that Karl-Marx-Platz, earlier known as Adolf-Hitler-Platz, conceals one of the great remaining secrets of World War II.

Experts believe a trove of art stolen by the Nazis, including at least part of the legendary Amber Chamber, may be in a labyrinth of bunkers.

"Many people, myself included, are now convinced that something is down there, possibly the Amber Chamber," said Joachim Vogel, a city spokesman. "The evidence is becoming stronger and stronger."

Since German reunification in 1990, historians and researchers have been free to work in what was East Germany, where the Nazi art collection disappeared.

An American treasure-hunting and geological survey company, Global Explorations of Gainesville, Florida, wants to conduct the potentially expensive underground search, and has offered to



Detail from a wall panel of the missing Amber Chamber, an 18th century gift to Russia.

undertake all costs in exchange for television and magazine-feature rights. The president of Global Explorations, Norman Scott, hopes to complete talks with the state govern-

ment of Thuringia in time to open the bunkers this summer.

In a telephone interview, Mr. Scott described evidence pointing to buried art treasure in Weimar.

The art that disappeared in or around Weimar half a century ago was assembled by Erich Koch, the gauleiter of East Prussia and territory occupied by the Nazis.

He looted museums and private collections across Central Europe as the German Army advanced, assembling the booty in the Baltic port of Königsberg. That city was overrun by the Russians and renamed Kaliningrad at the end of World War II.

The Koch collection was never fully catalogued so it is not known which artists are included. The most valuable art in the collection was the Amber Chamber, considered one of the supreme baroque and rococo masterpieces.

King Frederick I of Prussia conceived the Amber Chamber in 1701 as a gift to the Russian royal family, appropriate to seal an alliance.

It was a full-sized room made entirely of amber, including 22 wall panels, intricate bas-reliefs, busts, figures, monograms, coats-of-arms, candelabra, mirrors and inlaid decorations depicting Tuscan

See CHAMBER, Page 4

Red Tape Harms Trade, U.S. Aide Warns Russia

By Fred Hiatt

MOSCOW — Deputy Secretary of State Lawrence S. Eagleburger, in a speech delivered in the Kremlin, warned Russian authorities and business interests Wednesday night that U.S. investment in the former Soviet Union was still "severely, if not fatally, hampered" by bureaucratic restrictions and uncertainties.

Mr. Eagleburger, speaking to the Trade and Economic Council of American and Russian businessmen, said the United States was determined to build a "lasting partnership" with the nations of the former Soviet Union as they moved toward democracy and capitalism.

"We need you to succeed," said Mr. Eagleburger, who is the State Department's second-ranking official. "We want you to prosper."

But he cautioned the Russians that Americans could not be forced to invest in their country and were unlikely to do so if the business climate did not improve.

"In the short time I have been in Moscow, I must say that virtually all the American businessmen I have seen have told me that their ability to contribute as partners to economic recovery here is severely, if not fatally, hampered by regulatory and fiscal practices they are encountering at all levels of government," he said.

Among the handicaps to investment, Mr. Eagleburger cited constantly shifting and confusing laws and regulations; huge increases in tax rates for foreigners and foreign companies; uncertainty about who owns what and who controls Russia's vast natural resources, with various levels of

government competing for the wealth; and the former Soviet Union's \$190 billion debt to American companies.

"They cannot do business when, for example, a sudden tax increase wipes out the anticipated profit on a previously negotiated project," Mr. Eagleburger said.

"They cannot do business when they are faced with a bureaucracy as yet unable to deal expeditiously and authoritatively with them."

He added that American business executives would, "in fact, go elsewhere if they must."

Mr. Eagleburger's speech, in the Kremlin Palace of Congress, was not open to reporters, but U.S. officials made a copy of the speech available.

President Boris N. Yeltsin has promised Russia and the West that he will destroy the old command economy of the Soviet Union and allow Russia to move to a free market. But he faces powerful opposition from entrenched bureaucracies, from local and regional leaders who have seized authority ceded by Moscow, and from ordinary people dismayed by rising prices and

See WARNING, Page 4

Winner Take All? Lottery Millionaire Busted in L.A.

Los Angeles Times Service

LOS ANGELES — A man who won \$3 million in the California Lottery has been charged with receiving a cache of stolen loot — including five vacuum cleaners — from the rioting last month in Los Angeles.

Sergio Hernandez, 28, who receives \$120,000 a year from his 1989 lottery jackpot, faces a felony charge — and a likely one-year jail term — for using

his home to store goods allegedly looted by his brother, county prosecutors said.

"His brother had a bunch of the loot and had to move it, so he said, 'Hey bring it over to my place,'" a deputy district attorney, David Ross, said Tuesday.

"Apparently, it's a very nice place." Los Angeles County sheriff's deputies received a tip that Mr. Hernandez was stashing riot booty and

raided his home, Mr. Ross said, discovering the five vacuums along with a video camcorder, compact disc player, "a couple of cellular telephones and some clothes."

Mr. Hernandez was released on \$5,000 bond on a single charge of receiving stolen property.

His brother, Martin Hernandez, 24, was charged both with receiving stolen property and with robbery, for allegedly joining in the looting of two stores, Mr. Ross said. Bail was set at \$5,000.

كلذا من الاصل

Ambitious U.S. School Plan Seeks Reforms — and Profits

By Susan Chira
New York Times Service
NEW YORK — Christopher Whittle, the maverick media entrepreneur, gained instant credibility and considerable publicity when he landed Benno C. Schmidt Jr., the president of Yale University, to lead his ambitious effort to create a national private-school system.

Whittle's backers have made to design new schools. But several also raised questions of elitism, the role of profitability in education and the project's political agenda in a time of fierce debate over the Bush administration's proposals to use public money to pay private-school tuition.

NEWS ANALYSIS

But the hard questions begin now. Can they succeed when generations of equally ambitious school reformers have failed? And will the pressure to produce profits make it harder to run radically different schools at the same or lower costs than public schools?

The objective is to invent appreciably better schools, using dazzling technology and longer hours, but to charge no more in tuition than public schools spend on pupils — all while making a large enough profit to attract big-time investors.

Mr. Whittle says he believes his private schools will, indeed, change public schools — through the same kind of consumer pressure that underpins the administration's education strategy.

Perot Makes a Mark, Even Off the Ballot

Compiled by Our Staff From Dispatches

WASHINGTON — With easy primary victories in Arkansas, Kentucky and Idaho, Governor Bill Clinton has drawn close to the majority that will make him the Democratic presidential nominee.

And President George Bush, already assured of the Republican nomination, extended his unbroken string of triumphs in the same primaries, overwhelming the fading challenge of Patrick J. Buchanan, the conservative newspaper and television commentator.

A write-in vote for Mr. Perot in preference to either of the major party leaders surfaced a week ago in the Oregon and Washington primaries.

Clinton Error: Telling Press He's on a Diet

New York Times Service

LITTLE ROCK, Arkansas — Governor Bill Clinton is discovering that it is not easy being a celebrity dieter.

When Mr. Clinton's motorcade pulled into a Wendy's on Sunday night, the press corps was gleefully speculating that Mr. Clinton's vaunted diet was about to go.

Tokyo Is Said to Drop Plan For Fast-Breeder Reactors

United Press International

TOKYO — Japan has decided to give up plans to build fast-breeder reactors that would produce plutonium, a material that can be used in both nuclear power plants and nuclear weapons.

The Science and Technology Agency and the Power Reactor and Nuclear Fuel Development Organization made the decision in response to international criticism of Japan's nuclear program.

To reduce its dependence on imported fuels, Tokyo embarked on a plan to build fast-breeder reactors, which produce more plutonium than they consume.

The government has built a \$4.5 billion fast-breeder reactor in Tsuruga in central Japan, that is scheduled to go critical in October.

vote of every five cast, according to unofficial partial returns. The write-in ballots from the other primary last week, in Oregon, have not been counted yet.

Those exit polls also showed dissatisfaction with both prospective tickets, and substantial general election sentiment for Mr. Perot among voters of both major parties.

That exercise may be repeated next week, although neither California nor Ohio, the biggest states voting then, will count Perot write-ins.

In the six-state primary finale next Tuesday, Mr. Clinton's overwhelming lead will become a mathematical lock on first ballot nomination. He now has 1,971 delegates, with 2,145 needed for the nomination.

His only remaining challenger, Edmund G. (Jerry) Brown Jr. has 394 delegates. Mr. Clinton won 68 percent of the primary votes cast to Arkansas, to Mr. Brown's 11 percent, had 56 percent of the Kentucky vote to Mr. Brown's 8 percent, and in Idaho he attracted 50 percent of the ballots to Mr. Brown's 17 percent.

So the major party contestants are set. The challenges of Mr. Buchanan on the Republican side and of Mr. Brown on the Democratic one have faded into oblivion.

"If you don't like what's going on in the White House and what's going on in the Congress, vote Patrick Buchanan and you will get the message," Mr. Buchanan said while campaigning in New Jersey.

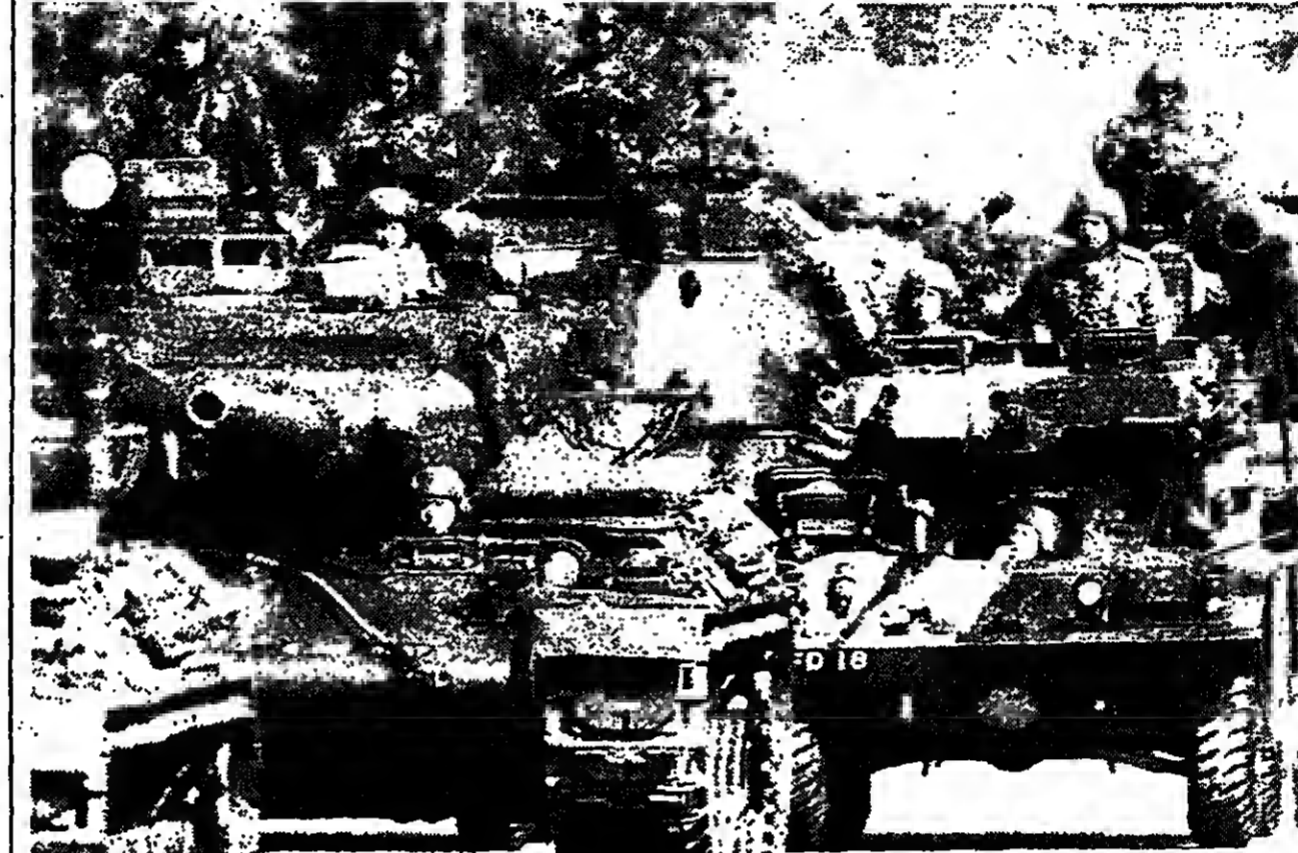
Mr. Brown challenged Mr. Clinton to debate him before the California primary on June 2. "As long as we are having elections here, we ought to give the people a continuing exposure to the differences," said Mr. Brown, the former California governor.

Mr. Clinton already is looking beyond his sole surviving Democratic campaign rival, to the themes and issues of his campaign against Mr. Bush.

But Mr. Brown said Mr. Perot has "marginalized" the Clinton campaign. "If Clinton doesn't get back into the spotlight of public attention, he's going to drive his party down to terminal defeat," Mr. Brown said.

Mr. Clinton said "there's nothing I can do about" the Perot threat at this point. "I'm not out there running against him," he said.

(AP, UPI)



U.S. Tank Crews Bid Good-Bye to the Cold War and Berlin. Units from the 6th Battalion of the 40th Armored Brigade, the force that confronted Soviet tanks, cannon to cannon, in October 1961, rolling through the city Wednesday in a farewell parade. The confrontation nearly 31 years ago erupted after East Germany, with Soviet help, put up the Berlin Wall to halt a flood of escapes. Under the German reunification agreement, all Allied troops must quit Berlin when the last of the Soviet troops in Germany have left by the end of 1994.

California Campaign Ads Go for the Jolt

By Elizabeth Kolbert
New York Times Service

LOS ANGELES — The beating of a white truck driver in the Los Angeles riots. A black woman denouncing mob rule. Rivers running pink with toxic chemicals. An aborted fetus.

It takes a tough advertisement to fight its way through the television clutter here these days, so it is not surprising that aspirants in California's Senate primary have resorted to some pretty high-voltage images to promote their candidacies.

But in one of the paradoxes of the modern media campaign, the more graphic images the candidates use to distinguish themselves, experts say, the more they risk seeming routine.

"They look like candidates who meet the usual stereotypes, they'll do anything for votes," said Shanto Iyengar, a professor of political science and communications at the University of California in Los Angeles. "They'll even capitalize on riots."

Perhaps because there are so many candidates to cover — there are a dozen major candidates just for the U.S. Senate — or perhaps because there has been so much other news in California recently, candidates running in the June 2 primary cannot count on getting much media exposure except through their own paid advertising.

This has added to the already substantial significance of 30-second spots and has placed a premium on commercials that somehow manage to rise above the din.

To this end, some candidates have recently added scenes from the riots to their campaign visuals. In the Senate primaries — there are two open Senate seats — one candidate, state Comptroller Gray Davis, is using footage from the beating of Reginald Denny to illustrate his message of law and order.

Another Democratic candidate, Representative Mel Levine, has enlisted the help of a black official, former Representative Yvonne Burke, to articulate the same theme.

"A few thousand criminals terrorized Los Angeles and poor people were the worst victims," Ms. Burke says in an advertisement for

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"A few thousand criminals terrorized Los Angeles and poor people were the worst victims," Ms. Burke says in an advertisement for

Rockefeller of New York in 1964 has been a vote on a platform issue at a Republican convention.

Since 1980, the Republican platform has advocated a constitutional amendment to protect "unborn children," opposed government financing of any organization that advocates abortion and favored appointment of federal judges who believe abortion is not a constitutional right.

"The unborn child has a fundamental individual right to life which cannot be infringed," the 1988 platform states. Although some Republicans have openly objected to those planks, the opposition has always been muted.

But the likelihood that the Supreme Court will erode, if not completely overturn, abortion rights in the next few weeks has made the question a much more political one than in past years.

The court is reviewing a Pennsylvania law that restricts abortions, requiring among other things that wives notify their husbands of planned abortions.

The possibility that the court will use that case to curb access to abortion further has led Republicans who favor legal abortion to begin questioning in earnest whether their party's stand is wise.

For example, Governor William F. Weld of Massachusetts, one of several prominent Republicans who are outspoken in favor of abortion rights, sent a statement to the platform committee asserting that "if the party retained its inflexible anti-choice position, I fear we run the risk of shutting out influential leaders, losing touch with mainstream America and forfeiting our role as the bulwark against govern-

ment intrusion and the champion of individual freedom." Still, nothing is likely to happen, at least not by the time the Republican National Convention is held in Houston in August.

Ultimately, every plank, every sentence, every comma in the Republican platform will be written the week before the convention by President George Bush's staff, and the president is adamantly against any change in the party's position, a point repeated Wednesday by Martin Fitzwater, the president's spokesman.

Ms. Stone and her followers say they hope they can at least force a floor vote on the issue at the convention to exhibit their strength and perhaps pave the way for a change in the 1996 platform. But even that seems improbable.

Under Republican rules, a vote will take place only in two circumstances: if at least 25 percent of the 107-member platform committee wants one, or if a majority of at least five state delegations calls for a vote.

The Bush camp has stacked the platform committee, so a call for a vote there is out of the question. Ms. Stone says she has four state delegations locked up and seven or eight others that she may be able to persuade, but others on her side say they doubt that is the case.

Unlike the situation in some parliamentary democracies, American party platforms are binding on no one, so some politicians say they are unimportant. Others say, however, that platforms do outline in the broadest strokes the basic differences between the parties and thus fulfill an important purpose.

What all this will mean in the

November election is anyone's guess.

Despite complaints of a few Democratic party leaders like Governor Robert P. Casey of Pennsylvania, the Democratic platform is certain to endorse legal abortion and government payments for abortions for women who cannot afford them.

Rep. Perot, who is considering an independent bid, has also said he supports abortion rights.

Refugee advocates and congressional critics said there were not enough votes in Congress to change the policy.

Haitian Exodus: At Root, U.S. Policy Crippling of Island's Economy Appears to Be the Only Fruit

By John M. Goshko
Washington Post Service

WASHINGTON — As Americans debate the wisdom of President Bush's order to halt the influx of Haitians, even his supporters concede that the problem was caused by U.S. policy. Washington's intent was to oust Haiti's military bosses but until now it has succeeded only in crippling the island's economy.

American policymakers were widely applauded in October when they spearheaded a decision by the

Organization of American States to impose a *hemispheric embargo* against Haiti.

The move, intended to put pressure on the military to reverse the coup that ousted the civilian president, the Reverend Jean-Bertrand Aristide, was cheered as a signal that the United States, once considered too willing to tolerate Latin American military dictatorships, was determined to face down challenges to democracy anywhere in the hemisphere.

At the time, the organization resounded with a confident prediction that Haiti, the poorest and weakest country of the region, would buckle quickly.

It has not worked that way. The trade embargo has cut off most of the island's exports and imports and put at least 150,000 of Haiti's already impoverished people out of work.

The trade embargo has cut off most of the island's exports and imports and put at least 150,000 of Haiti's already impoverished people out of work. But the misery and privation caused by the embargo has left Haiti's military rulers and their supporters in the island's business class unmoved.

In part, that is because of the intense fear inspired in these groups by Father Aristide, a Roman Catholic priest whose populist preachings have won a great following among the Haitian masses. His promises to end the entrenched privileges of the army and the wealthy led to the coup, and the bitter denunciations he has directed against his enemies from his exile has solidified their belief that his return would be the prelude to a wave of vengeance and must be resisted at all costs.

An even greater problem has been a belief among Haiti's rulers

that there are distinct limits to how far the United States is willing to carry its campaign against them. According to people familiar with sentiment on the island, there is widespread feeling there that if the dictatorship persists, Washington will eventually waver of the struggle.

To back up that view, Haitian leaders reportedly cite U.S. unwillingness to plug the leaky embargo with a naval blockade or even to cut the transportation links that permit many Haitians to fly to Miami or other Caribbean ports and return with suitcases full of embargoed goods.

The United States, they note, has also chosen not to make an issue of the European Community's refusal to honor the trade aspects of the embargo.

Many diplomats said in retrospect that the United States also made a serious mistake when it modified the embargo to permit American businesses with assembly operations on the island to keep doing business. That move was dictated by the fact that these businesses were originally induced by the U.S. government to invest in Haiti and were providing jobs for many of the country's poorest people.

But these nuances were lost on a Haitian government and public that interpreted the move as further proof of U.S. unwillingness to stay the course.

The government's critics argue that tougher action is necessary to make an impression on the Haitian military. But American officials said that some of the more drastic courses being suggested, such as establishing a blockade or even sending a military force onto the island, are not in the cards. Other nations are unwilling to go that far, the officials said, and in the absence of clear-cut domestic and international support, Mr. Bush has no intention of resorting to military action in an election year.

The most immediate step, the officials said, will be a stronger effort to enlist EC support for the embargo. But, they warn, many EC members are reluctant to cooperate because of the effects this would have on the Lomé Convention, which grants former colonies of EC countries trade preferences within the Community.

Advocacy Groups Fight Bush's Refugee Order

By Al Kamen
Washington Post Service

WASHINGTON — Refugee advocates, denouncing President George Bush's decision to return all Haitian refugees found on the high seas as a violation of international and U.S. law, said they would try to undo it — either in federal court or through legislation.

Critics of the policy, who acknowledged that it would be difficult to persuade either Congress or the judiciary to overturn it, also said the move could damage multinational efforts to encourage countries to accept refugees.

The first legal challenges might be made in the next few days, according to lawyers involved in planning the efforts. Lawyers for the refugees will very likely ask a federal judge to halt the repatriations; they would argue that the lack of any procedure to even consider claims for asylum violates international and U.S. law.

U.S. officials said they were confident that while they might lose in lower courts, the Supreme Court would ultimately back the government's right to do as it pleased in foreign policy.

Mr. Bush said Sunday that because refugee facilities at Guantanamo Bay, Cuba, were full, the Coast Guard was to intercept Haitian refugees at sea and force them back to their island home. The first group was returned Tuesday; 587 more were returned Wednesday. Haitians have been fleeing in intermittent waves since a coup on September 30 overthrew President Jean-Bertrand Aristide.

Refugee advocates and congressional critics said there were not enough votes in Congress to change the policy.

Representative Charles B. Rangel, Democrat of New York, noting that the U.S.-backed embargo of Haiti had helped encourage the exodus, denounced the new procedures as "untenable and hypocritical." He said he hoped to "get a congressional response, but I doubt we can do it."

"Congress doesn't have the courage to get involved in something that might bring Haitians into their districts," he said. "It's just a sad day. This is no way to treat people."

Representative Stephen J. Solari, Democrat of New York, said that summarily returning all people intercepted on the high seas was "palpably in violation of important international conventions" on refugees and "makes us in effect agents of a repressive regime."

Mr. Solari, who chairs a House subcommittee on Asia and Pacific affairs, noted that the administration had objected to Britain's policy in Hong Kong of returning economic migrants to Vietnam. "We objected to the return of people" whom the British "screened out" as not being political refugees, he said. But in Haiti, "where the repression is even worse than Vietnam," he said, "we not only are not permitting economic migrants but now even political refugees can't enter."

United Nations officials, worried about the implications of the U.S. policy, which they see as a violation of international agreements met Tuesday in Geneva. One concern is that it appears that some of those leaving may be bona fide political refugees, said Victoria Butler, spokeswoman for the UN High Commissioner for Refugees in Washington. "What happens to those people?"

WORLD BRIEFS

Delay Jet Fighter Decision
The House of Representatives on Wednesday agreed to delay the decision on whether to purchase 500 more fighter jets from Boeing Co. until the president has been made aware of the costs involved. The move was expected to settle a dispute on the issue.

Revised in French Fraud Case
A French court on Sunday revised the charges against a man accused of being an accomplice in the sale of the stolen artwork of the 1960s.

President's Brother Backs Off
President Fernando Collor of Brazil on Sunday backed off his charge against the ex-minister of Finance, Paulo Maluf. He said his brother had withdrawn a million dollars of state funds from his companies.

Business: Finance on
The Business Finance on Sunday was set to vote on a development plan by Morgan Stanley.

RAVEL UPDATE
The Ravel update on Sunday reported that the case of a man in Bangkok, Thailand, who was arrested after returning from a three-week stay in the United States.

South Korea
South Korea on Sunday reported that it had captured a North Korean spy plane that had been flying over the Korean peninsula.

China
China on Sunday reported that it had captured a North Korean spy plane that had been flying over the Korean peninsula.

India
India on Sunday reported that it had captured a North Korean spy plane that had been flying over the Korean peninsula.

Japan
Japan on Sunday reported that it had captured a North Korean spy plane that had been flying over the Korean peninsula.

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INTERNATIONAL Herald Tribune

Protectionist Posturing

The Wrong Road

In their latest attempt to protect the American automakers from Japanese competition, the House Democrats are now pushing a genuinely dangerous idea.

American plants has risen. In response, Mr. Gephardt and the Democrats supporting him now want to extend the limits to both imports and the American factories.

Odious and Insidious

The European Community has taken what might be a historic step against protectionist farm policies. How are Democratic leaders in the U.S. House of Representatives responding to this dramatic opportunity for trade?

Under the bill, the Japanese would be allowed to export more cars to the United States only if they also imported more cars from American-owned — but not Japanese-owned — factories in the United States.

A New Pentagon Paper

The revised version of a major Pentagon planning paper should restore a measure of calm to a rhetorical atmosphere that had been badly roiled by an earlier draft.

PARIS — Italy now has a president — Oscar Luigi Scalfaro, a veteran Christian Democrat known for his personal integrity and religious convictions — and it will soon have a new government.

Other Comment

Be Wary of Europe's Offer

The Europeans are masters at making a virtue out of necessity. The most recent instance of this is the minor reduction in farm subsidies which the EC announced.

ductive bits of their land. The end result will certainly be a sharp increase in production per hectare, little decline in total production and little decline in farm incomes.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor...

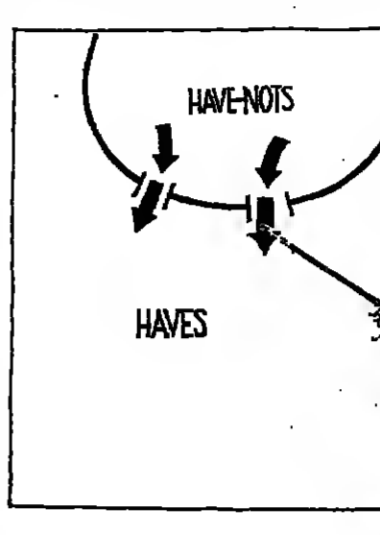
Endangered People Trouble the West's Environment

By Jim Hoagland

HELSENKI — The plight of Haiti's boat people is for America the cutting edge of a global flood of refugees and economic migrants. This rising tide of refugees is stirring political resentment and backlash across the developed world.

With the European Community, the North American free trade area and Japan's Asian investment sphere accelerating regional integration, the outsiders see a train leaving the station. They run to jump aboard, however they can. Just as capital, ideas and technology easily cross modern frontiers, so now does a proletarian seeking jobs or state support.

flow. To his credit, he seemed to be resisting that advice. But his plunge in the polls means that he can take nothing for granted now.



funded and understaffed refugee organization. Enough common features connect the different parts of the refugee crisis to enable governments to talk to each other and to their publics candidly about targeting aid, investment and trade in a coordinated way to encourage would-be economic refugees to stay put.

Japanese Vitality and Innovation Are Good for the Rest of Us

By Jonathan Rauch

WASHINGTON — In the conventional wisdom of popular economics, commerce is like warfare. That is a core belief of economic nationalism: If they are winning, then we must be losing.

think we knew how bad we were," the owner told The Wall Street Journal. Meanwhile, Japanese automakers have invested \$9 billion in American plants and are showing how to get higher productivity from workers.

Now they are teaching some of these techniques to American 7-Eleven, whose parent company, Southland Corp., they bought in 1991.

Germany's 26. Lagging productivity in the relatively sheltered service sector, not in manufacturing, is what drags down U.S. living standards.

Italy Needs Reform and an Allied Showdown With the Mafia

By William Pfaff

PARIS — Italy now has a president — Oscar Luigi Scalfaro, a veteran Christian Democrat known for his personal integrity and religious convictions — and it will soon have a new government.

This greatly influences the situation today. The postwar republic, which took the place of Mussolini's fascist state, was deliberately given weak central powers, with parliament elected by proportional representation.

members of an oppressed community. The modern Italian republic has never decisively distinguished itself, at least in the south, from the oppressive foreign governments of the past.

years, and they have nearly all been alike. The Mafia has been thought directly to control a million popular votes, and to exercise a strong influence over another 2.6 million. No one can today be certain how far its infiltration of the parties and of the apparatus of state has gone.

Race Relations: American Police Could Learn From the Army

By David K. Shieler

WASHINGTON — Since the jury's unconscionable verdict in the Rodney King case, debate has erupted about the economic plight of the inner cities. But little attention has been given to a more specific problem that can probably be eased, if not solved: the anti-black behavior of many police officers.

Even black policemen, off duty, are instant suspects in the eyes of many white officers. Blacks out of uniform have told me of being stopped, searched, interrogated and humiliated before they have a chance to identify themselves as policemen.

among cops. Hubert Williams, head of the foundation and former police chief in Newark, New Jersey, said through his assistant that he had no thoughts on the subject.

recommendations were made public. Senator Nabucco Gonvardi introduced a bill authorizing the President to take all necessary measures to see that the report is acted upon.

كازان الاول

Environment

Environmentalists under fire... The environmentalists' cause is to make people aware of the damage that is being done to the planet...

or the Rest of Us... The environmentalists' cause is to make people aware of the damage that is being done to the planet...

With the Mafia... The environmentalists' cause is to make people aware of the damage that is being done to the planet...

From the Army... The environmentalists' cause is to make people aware of the damage that is being done to the planet...

1912: Women Revolt... The environmentalists' cause is to make people aware of the damage that is being done to the planet...

A Perot Craze in Lieu of Politics

By Garry Wills

EVANSTON, Illinois — Some Americans are smitten by Ross Perot. Although they know little about him, they are, indeed, the reason for their ardor. Something deep in American democracy has always yearned for the immaculate conception of a president, delivered unmet by the messy aftermath of most campaigns...

OPINION You Try, Fail, Think of Tomorrow, Tomorrow

By Samuel Abt

HAGERSTOWN, Maryland — Most of the crowd in Stroudsburg, Pennsylvania, had gone and the bear party on a balcony near the finish line had moved indoors as the afternoon heat gave way to an early evening chill. Banners were being dismantled with loud clangs as metal pipes dropped to the ground...

LETTERS TO THE EDITOR

Britain and Hong Kong... In George Hiebert's "A Thin Red Line of Hope for Hong Kong" (Opinion, May 15), the U.S. assistant secretary of state for East Asian Affairs, Richard Solomon, is quoted as saying: "After 1997, that task [to preserve Hong Kong's essential character] will be China's alone."

INTERNATIONAL RECRUITMENT

GENERAL MANAGEMENT BULGARIA... A US corporation, active worldwide and manufacturing in over 20 countries, is seeking for its joint venture in Bulgaria a GENERAL MANAGER reporting to the European Group Executive...

The International Federation of Red Cross and Red Crescent Societies SECRETARY GENERAL... The Secretary General is the Chief Executive Officer of the Federation, and is responsible for the direction and work of its Secretariat in Geneva and its relief and other health and development activities worldwide.

BERNARD KRIEF CONSULTING GROUP has openings for 2 Project Managers 6 Senior Consultants... The successful applicant must be an experienced consultant in the following fields: Operating audits, Structural reorganizations, Strategic restructurings, International marketing, Financial audits, Privatization.

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GENERAL POSITIONS AVAILABLE... PERSONAL AIDE, EXECUTIVES AVAILABLE, EMPLOYMENT SERVICES, EXECUTIVES AVAILABLE, SENIOR ENGINEER, PRIVATE INVESTIGATOR REQUIRED, JOBS OVERSEAS, FRENCH EXECUTIVE, HONG KONG BASED EXECUTIVES, EMPLOYMENT SERVICES, EXECUTIVES AVAILABLE, SENIOR ENGINEER, PRIVATE INVESTIGATOR REQUIRED, JOBS OVERSEAS, FRENCH EXECUTIVE, HONG KONG BASED EXECUTIVES.

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The new golf course, set to open in the fall, is just one of Dubai's current leisure projects.

Projects Enhance Local Lifestyle

The living and working environment for the thousands of expatriates and the local inhabitants in Dubai and Jebel Ali is just as important as doing business and making money. Everybody is made to feel at home in Dubai, one of the most liberal emirates in the Gulf. These efforts are increasing.

"We are trying to make Dubai a human, living place for those who are here — foreigners and locals alike," comments an official from the Dubai Municipality, which is spending millions of dollars on city improvements like new parks, leisure centers and recreational facilities. The creek, with its colorful trading dhows, around which Dubai has developed, is now being

remodeled with walkways, small gardens with shrubs, flowers, ponds and fountains. There is greenery and color everywhere. A major new development is the construction of Dubai's second all-green championship golf course, which is being built alongside the creek. Due to open in the autumn, it has 18 holes and was designed by the U.S. golf architect Karl

Continued on Page 9

DUBAI and Jebel Ali

Business Is Booming in the Free Zone

One night last November, the sky was lit up by fireworks and the air reverberated to the sound of music from a British Royal Marines band as the recently created Dubai Ports Authority unloaded its millionth container at the twin port terminals of Jebel Ali and Port Rashid. Watching the ceremony were 3,000 VIPs from Dubai's shipping and business community, along with 2,000 DPA staff. They found much to celebrate.

Last year, the Dubai Ports Authority handled more than 1.25 million containers — a 37 percent increase over 1990 — and the largest rise in container handling at any port in the Middle East. General cargo throughput rose by more than 20 percent, to 20 million tons, during the same period.

While much of the world is going through a period of economic doldrums, Dubai, which stands at the crossroads of global trade between Europe and the Far East, is

67 trade missions visited Dubai in 1991

undergoing a surge of activity on multiple fronts, from construction to manufacturing to tourism. For it is not only in business but in leisure — now a vital part of Dubai's corporate development — that an upswing is taking place.

Increased international exposure is one of the factors that has helped boost Dubai's trade, comments Saeed al-Naboodah, president of the Dubai Chamber of Commerce and Industry. Last year, imports, exports and re-exports totaled \$12.3 billion, compared with \$10.8 billion in 1990. Locally manufactured goods accounted for \$730 million worth of exports — a record figure for the emirate. Some 67 trade missions from 37 countries visited Dubai in 1991.

Last year, oil trade (Dubai is not one of the oil-rich Gulf states, producing only about 600,000 barrels of oil a day) rose to 45.4 billion dirhams (\$12.3 billion), compared with a record 40 billion dirhams in 1990. Most of the local commercial banks have been posting increased profits in spite of the regional difficulties earlier last year, and there are some mergers and expansions under way. Emirates Bank International has taken an 84

percent controlling interest in Middle East Bank. The Bank of Oman is opening a branch in the Jebel Ali Free Zone banking complex and introducing more high-tech services for its customers.

More than 10 percent of all the world's sea-air cargo passes through Dubai. Duty-free sales at the International Airport, which is to undergo a multimillion-dollar expansion, are expected to exceed \$115 million by December. Five international-standard luxury hotels are on the point of opening, and a second all-green championship golf course is nearing completion. The Dubai-based Emirates airline is buying \$2 billion worth of new Boeing jets for its rapidly expanding fleet and opening a host of new routes. This will make the emirate a vital hub for air transport, serving a region with a potential market of 1 billion customers, just under a third of the world's total population.

A massive golf-ball-like dome atop the newly opened Etisalat headquarters near the creek-side Sheraton Hotel in Dubai dominates the skyline, a symbol of one of the life forces of Dubai's prosperity: communications.

This is one reason for the success of the free zone at Jebel Ali, where 382 companies were operating at the end of last March. Sultan Ahmed bin Sulayem, chairman of JAFZA, expects that there will be 1,000 companies in the zone by the end of the century. Among the latest batch of 30 companies to move in were five from India; three each from Britain, France and Saudi Arabia; and two each from the United States, Hong Kong, Germany, Pakistan and the United Arab Emirates.

"This is a very different picture from a few years ago, when the large majority of companies in the free zone were from nearby countries," comments Mr. Sulayem. "Also, there is now a higher proportion of distribution companies, which brings additional business to Dubai's ports, and manufacturing industries, which tend to represent larger capital investments."

There are plans for a major Saudi joint-venture refinery and gasoline-additive plant at Jebel Ali, as well as a phosphoric acid processing plant. Substantial capital industries already well-established include the Dubai aluminum smelter, the recently expanded Dubai Cable Company and Dugas, which processes natural gas for industrial use. Work is to begin shortly on an additional pipeline to bring 120 million cubic feet a day of dry gas from the Margham oil field to Jebel Ali in order to meet future demand.

One of the newest manufacturing projects is the Emirates Can Company, which will make up to 600 million soft-drink cans a year. It is a joint venture between the Ahmed Hamad Alghosabi & Bros. Co., the Pepsi-Cola bottler based in Saudi Arabia's Eastern Province, and the U.S. Crown Cork Group.



The Dubai Ports Authority is seeing the highest rise in container handling in the Middle East.

One area of the free zone covering 1 million square meters has been turned into a kind of "electronic city," where manufacturers from Japan, South Korea, Taiwan and the United States have established assembly and distribution facilities for their products. Sony Gulf, which arrived in 1989, is to double its warehousing space this year.

"It is an indication of how well distribution through Dubai is working for Sony," says Yoshio Kubo, Sony Gulf's managing director. The U.S. personal computer manufacturer AST decided to make Jebel Ali its Middle East regional center last year and is already expanding its facilities.

"Jebel Ali brings us closer to our customers, and Dubai has established an infrastructure to facilitate distribution in the Indian subcontinent and Northern Africa as well as countries of the Arabian peninsula," says Mirza Bastavi, general manager of AST Middle East.

One of the biggest Japanese companies to move in at the start of the year was Brother Industries, which has a

\$1.5 billion turnover in business machines, machine tools and domestic appliances. It joins other Japanese companies like Awa, Citizen, Matsushita, Mitsui and Toyo, which are all distributing products from Jebel Ali.

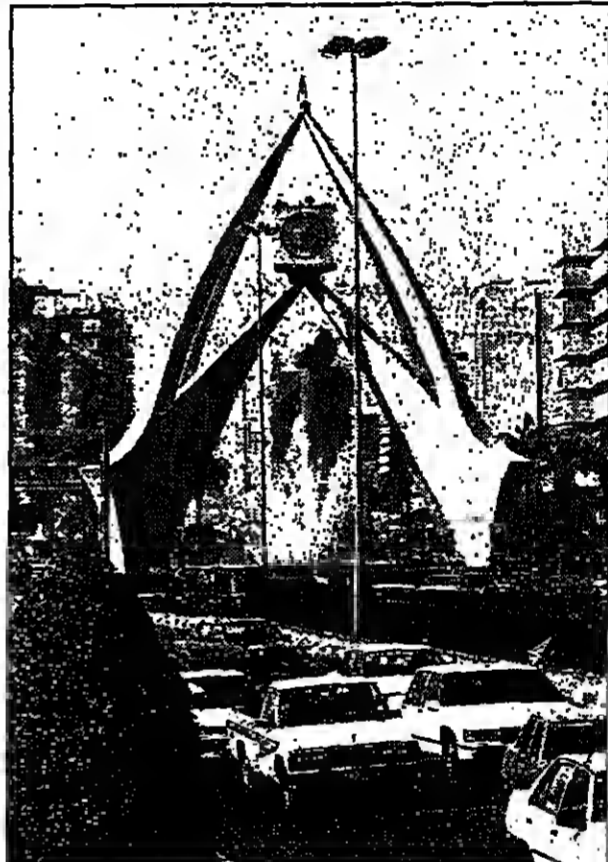
Says Hisao Futo, executive vice president of Brother International: "The Middle East Region is booming, and the potential is tremendous. Our ultimate aim is to make Dubai our regional headquarters."

Jebel Ali has also helped to rebuild Kuwait's oil industry. The U.S. company Bechtel, which has the contract to rebuild the oil sector, has made Jebel Ali its main supply and operational support base. Every day there are air and sea shuttle services between Dubai and Kuwait. "Jebel Ali has been absolutely essential to us in helping get the oil flowing again in Kuwait," comments a Bechtel executive in Kuwait.

McDermott Engineering, an oil-field supplies group that has been based in Jebel Ali for a number of years, recently won a contract to build an accommodation platform for an oil rig in the North Sea. "Our Jebel Ali fabrication yard gave us cost advantages that could not be matched by any of our rivals," says Mervyn Raynor, president of McDermott-ETPM Inc.

All the companies operating or setting up in the zone have one thing in common. "It is the absence of red tape, the tax advantages and facilities provided by JAFZA that have brought us here," says one Western manager. "If you want everything written down in black and white, then don't come here. That's not the way we do things," says Patrick Macdonald of the Dubai Commerce and Tourism Promotion Board.

"There is no doubt that Dubai is the place to do business in the Gulf," says the Western manager.



Dubai's clock tower frames the new Etisalat headquarters with its golf-ball-like dome.

Top Multinational Companies are already rubbing shoulders in Jebel Ali.



Why aren't you?

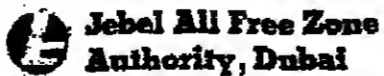
Over the last 10 years, the Middle East has rapidly gained recognition as a world market. And now, more and more companies are looking to the region to expand their operations — in manufacturing, assembling, packing, importing and distribution.

Today, the Jebel Ali Free Zone Dubai has opened its doors to the world and put together a package of benefits that companies can afford to ignore.

- 100% foreign ownership • Unlimited transfer of profit and capital
• No corporate taxes for a minimum of 15 years
• No personal income taxes • No import duties • Export taxes
• Abundant energy • Cost-effective labour force

The Free Zone is built around the largest man-made harbour in the world, efficiently managed by Dubai Ports Authority. This gives the Zone direct access to the Gulf region with a consumer market of over 1 billion people.

All this combined with a complete infrastructure and a superb quality of life for company employees has made Jebel Ali one of the most exciting business opportunities in the world. Ask any of the 300 companies that are already here.



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Duty-Free Operations Gaining Ground

In spite of last year's Gulf crisis, sales at Dubai airport's duty-free shopping complex only dropped a fraction below 1990's record \$100 million turnover.

"This year, we are predicting \$115 million [in sales], and business so far indicates that we are going to surpass this," said Colm McLoughlin, duty-free general manager, address-

ing the International Duty & Tax Free Seminar conference co-sponsored by the International Herald Tribune and Peter R. Wenban & Associates in London in April.

5 million shoppers expected in 1992

He pointed out that although Dubai and the Middle East account for only 4 percent of the world's duty-free trade, "it

is a long way from virtually zero a decade or so ago, and it is increasing rapidly. After all, the Middle East is now the fastest-growing region in the world of duty-free." He expects that more than five million passengers will be using Dubai airport by the end of the year and that this figure will double by the year 2000. Commenting on changing traffic and sales patterns, he said that in 1984, Dubai duty-free's first full year of operations, sales per passenger amounted to \$5.50. "By 1991, even in an area of low inflation, this had risen to \$22 per head."

He added that the increase was due to better

staff training, an expanded range of merchandise and computerized stock tracking and ordering of replacement items.

"Our marketing campaign also continues to be effective. We know that transit passengers will wait to get to Dubai before making purchases. Our research also indicates that some people actually re-route their flights to ensure that they fly through Dubai."

He explained that one significant factor influencing the international shopper's movements has been the highly successful car raffle for top-range automobiles from makers like BMW, Mercedes, Porsche and Rolls-Royce. Tickets

are limited to 1,000 and cost \$117 each. In April the 100th car — a BMW 850i — was won by Wahed al-Moatiz of Bahrain.

Mr. McLoughlin believes in maintaining a high profile for his duty-free operation, which also sponsors a large number of major sporting events such as power-boat racing, snooker, the karate world championships, international tennis and football.

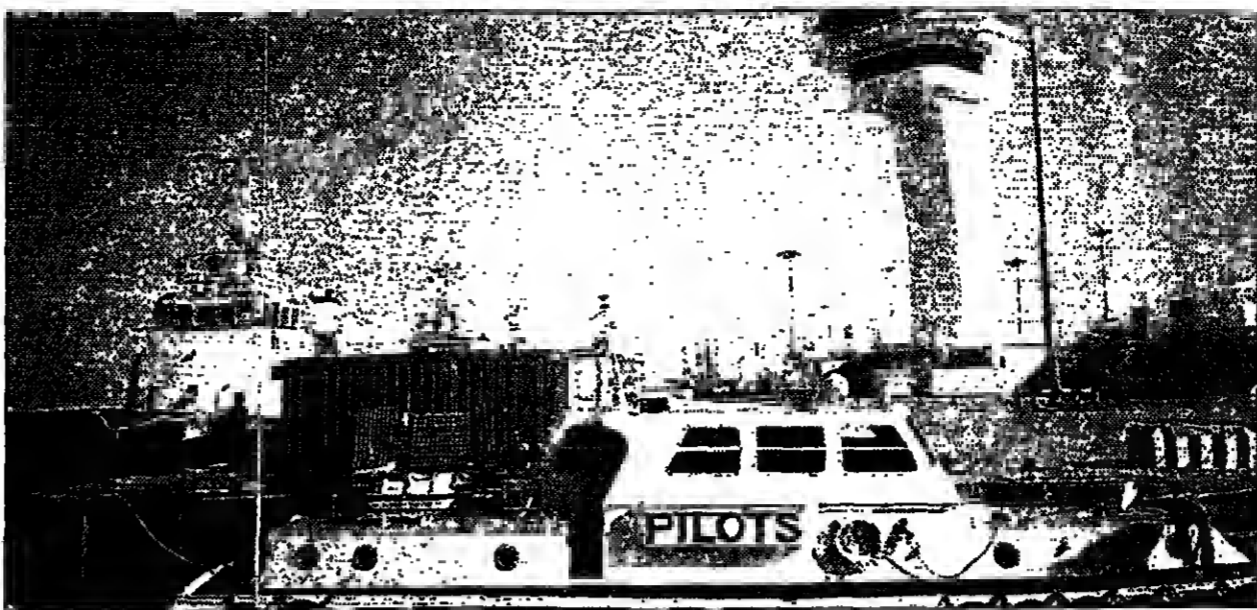
"We do it because every time a race is won, a blow is struck and a ball is hit. 3 or 4 hundred million homes around the world hear the name of 'Dubai Duty Free,' and we know that it all helps generate sales."

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune advertising department. It was written by Michael Frenchman, a London-based business writer specializing in the Middle East.

كنا عن الامم

ADVERTISING SECTION

ADVERTISING SECTION



Doing the dunes in Dubai (left), the port at Jebel Ali (above) and a break from work on the new Dubai golf course (right).

Air and Sea Transport: More Routes and Cargo

Mohi-din Binhend, director general of the Dubai Department of Civil Aviation, says that sea-air cargo is now preferred by most global shippers and that the new cargo village should help to increase Dubai's role in this sector.

The airport within two to three hours of being unloaded. The cargo village now has the capacity to handle 250,000 tons of freight a year. This will gradually be raised to 450,000 tons a year as demand increases.

About 10 percent of all the world's sea-air cargo now passes through Dubai, where a high-tech \$75 million dedicated cargo village was opened at the international airport last year. Built in less than 18 months, the cargo village should meet Dubai's needs well into the 21st century.

Expanded, more airlines will be attracted to Dubai. Preliminary plans have already been announced for a major \$500 million expansion of the airport, including a new terminal with 56 departure gates linked to the existing one

by tunnels under the runways. There may also be a dedicated general aviation complex that could be used for staging special events like air shows.

Last month, a new \$2 million departure terminal for use by Emirates airline passengers was opened. It has 23 check-in desks, and all procedures are completely automated to cut down passenger waiting time.

Emirates airline, started less than seven years ago with two leased aircraft, and three routes, has now become one of the fastest-growing airlines in the world. Its route network now stretches from Manchester in Britain to Manila in the Philippines, and it recently ordered 14 new wide-body Boeing 777

jets worth \$2 billion, one of the largest single orders ever made by a Middle Eastern airline. New destinations being served by Emirates this year will include Paris, Rome, Zurich, Jakarta and Taipei.

"When we get the new 777s, we will start thinking about direct flights to North America, Japan and Australia," says Mike Simon, an Emirates executive. In 1991, the airline carried 1.2 million passengers. It expects this figure to increase to 1.7 million by the end of the year.

Local Lifestyle Enhanced

Continued from Page 8

Litten, who also designed Dubai's first Emirates Golf Course. It is modeled on a Scottish links-type course, with gently rolling greens set around six lakes. Players have spectacular views of the city across the creek. The course, which will almost certainly feature in the PGA European Tour, will test the skill of players at the 18th hole, where the shot must pass over a lake and waterfall to reach the final green in front of the clubhouse.

The Deira side of the creek is set to open in June, with 282 rooms and a unique "leisure deck" on the sixth floor with gardens, swimming pools and a barbeque. Other new hotels under construction include a Holiday Inn and Marriott.

Uli Hoppe, general manager of the Hyatt Regency, which had a 76 percent occupancy rate last year in spite of the war, says he is already seeing a steady flow of tourists from France, Germany and Britain. Although the 402-room hotel caters to the business market — it has some of the best facilities in town, including the exclusive Regency Club — tourism is becoming more important, says Mr. Hoppe. And there are always surprises to be found in Dubai — such as the Hyatt's own ice rink.

"These are the kind of facilities we hope will encourage even more people to come here," says Sheikh Ahmed bin Saeed al-Maktoum, chairman of Emirates airline. The carrier, along with its associate company Emirates Holidays, is spearheading the drive to create a new tourist industry in Dubai.

"Leisure is going to become a growing business for us. We will be catering not only to international visitors from Europe and the Far East, but also to the families of those living and working in other parts of the Middle East. There is a huge market for us — Bahrain, the Indian subcontinent, Iran and Saudi Arabia. Many of those who can easily afford to come here are not more than about one hour's flight away," says Sheikh Ahmed, who is shortly to reveal plans for a major island leisure complex in Dubai, likely to be one of the biggest ever undertaken in the Middle East.

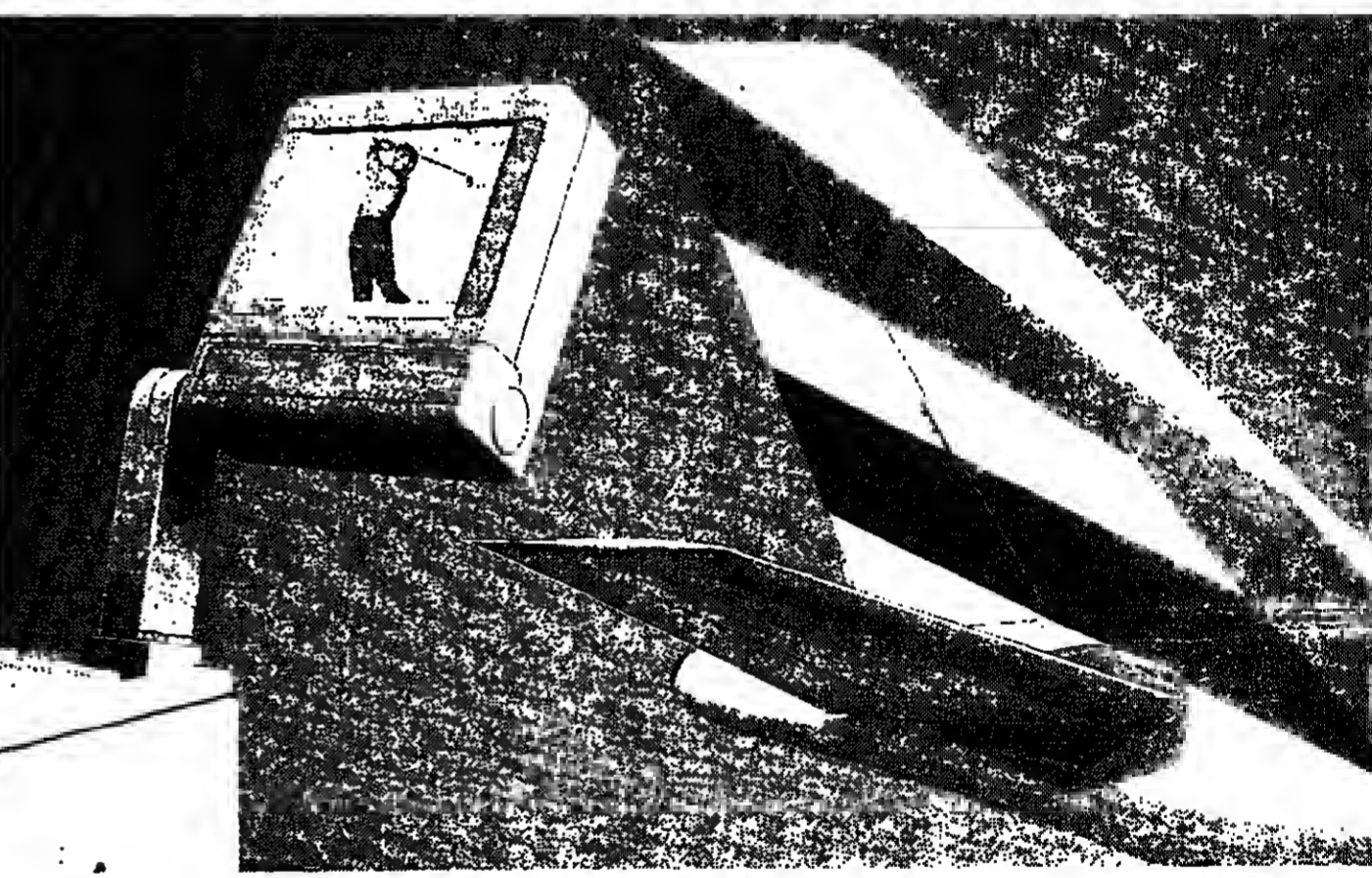
The clubhouse, whose design is based on a dhow's triangular sail, will add a new dimension to the skyline. A similar concept has been incorporated into the design of a five-star, 300-bed hotel and a marina yacht club that are also part of the new Dubai Creek Golf Club complex. The Royal Abjar Hotel on

Opens Fall 1992

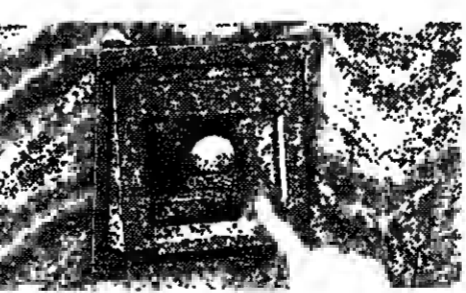
The Royal Abjar

Fly Emirates.

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- Middle East
- Indian Subcontinent
- Far East

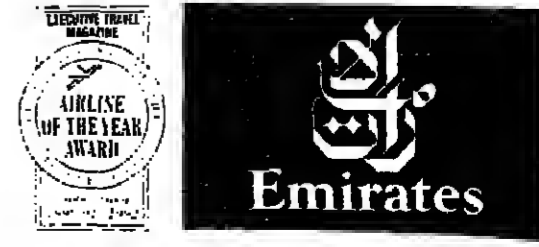


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magazine programme and an Arabic channel. In Business Class and Economy, the screen will be built into the seat back in front of you. It is fully adjustable and features touch controls for added convenience. In First Class, where the screen is housed in your armrest, we also provide you with an integrated individual video cassette player, and an extensive library of over 30 movies. Emirates is the first airline in the world to install a personal inflight video system in all three classes, and we will have our entire Airbus fleet fitted by the end of the Summer 1992, offering all our passengers a totally new dimension in travelling entertainment. But then as our award-winning food and superb service reflect, passenger comfort has always been our first priority.



Refining the shape of air travel.

ADVERTISING SECTION

...the highest rise...

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NYSE

Wednesday's Closing

Tables include the four-hour price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

NYSE Composite Index

NYSE Composite Index	1,148.23	+14.54
Dow Jones Industrial Average	2,871.43	+35.27
S&P 500	1,153.88	+15.12
NASDAQ Composite	1,148.23	+14.54
NYSE Volume	1,148,230	
NYSE Market Cap	1,148,230	

NYSE Sector Performance

Technology	+1.2%
Healthcare	+0.8%
Financial	+0.5%
Consumer Goods	+0.3%
Energy	+0.1%
Telecommunications	-0.2%
Real Estate	-0.4%
Utilities	-0.6%
Transportation	-0.8%
Automotive	-1.0%
Chemicals	-1.2%

NYSE Most Active Stocks

IBM	123.45	+2.34
Microsoft	45.67	+1.23
Apple	78.90	+0.89
Amazon	10.12	+0.34
Google	23.45	+0.56
Facebook	15.67	+0.45
Twitter	8.90	+0.23
LinkedIn	6.78	+0.12
Slack	4.56	+0.09
Zoom	3.45	+0.07

NYSE Market Statistics

NYSE Composite Index	1,148.23	+14.54
Dow Jones Industrial Average	2,871.43	+35.27
S&P 500	1,153.88	+15.12
NASDAQ Composite	1,148.23	+14.54
NYSE Volume	1,148,230	
NYSE Market Cap	1,148,230	

NYSE Sector Performance

Technology	+1.2%
Healthcare	+0.8%
Financial	+0.5%
Consumer Goods	+0.3%
Energy	+0.1%
Telecommunications	-0.2%
Real Estate	-0.4%
Utilities	-0.6%
Transportation	-0.8%
Automotive	-1.0%
Chemicals	-1.2%

NYSE Most Active Stocks

IBM	123.45	+2.34
Microsoft	45.67	+1.23
Apple	78.90	+0.89
Amazon	10.12	+0.34
Google	23.45	+0.56
Facebook	15.67	+0.45
Twitter	8.90	+0.23
LinkedIn	6.78	+0.12
Slack	4.56	+0.09
Zoom	3.45	+0.07

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By Month

NYSE High-Lows

NYSE Composite Index	1,148.23	+14.54
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INTERNATIONAL MANAGER Electrical Workers Union Aims to Stay Blue-Collar

By Barnaby J. Feder New York Times Service PITTSBURGH — Their 24th-floor headquarters gives the leaders of the United Electrical, Radio and Machine Workers of America a panoramic view, much like that enjoyed by the powerful chief executives, influential bankers and wealthy lawyers in nearby skyscrapers.

But the UE, as the union is known, goes out of its way to make sure its top officers are not too tempted to identify with their neighbors in the skyline.

The union's constitution limits executive salaries to \$32,494, helping to make sure that the UE president, John H. Hovis Jr., its secretary-treasurer, Amy R. Newell, and its director of organization, Edmund L. Bruno, do not lose the perspective of the union's 40,000 members.

In an era when huge salary gaps between executives and employees are attracting congressional attention and when leaders of many other labor unions have compensation packages topping \$100,000 a year, the electrical workers union salary limits and quirks like treating the head of organizing on a par with the president stand out like a Model T Ford at the Indy 500.

But these are only part of a larger web of zealously guarded beliefs and policies, like opposition to such worker-management cooperation programs as quality circles, that sets the union apart. In the eyes of critics, the UE is a relic. But admirers see it as a model for reinventing the labor movement by heaving to the old-time principles under which workers fared a lot better than they do today.

"There's no one like them," said Harley Shaiken, a labor specialist at the University of California at San Diego. "They combine militancy with a broader ideological spirit that reflects an earlier time."

AS A RESULT, the UE's health may be the purest indicator available of the staying power of the battered Marxist view, that workers form a class of citizens with shared interests separate from those who own and control business.

"We don't talk about what is happening to workers in terms of class warfare these days," Mr. Bruno said, "but it's hard to look at the last 20 years and describe it otherwise."

Some UE policies that are derived from the class-warfare ideology, like opposition to free-trade agreements, are widely shared by other unions and by scholars of the labor movement.

Sprint In Pact To Buy Centel

Stock-Swap Plan Values Target At \$2.85 Billion

NEW YORK — Sprint Corp. said Wednesday it would acquire Centel Corp. in a stock swap worth about \$2.85 billion, creating the only company that provides long-distance, local and cellular telephone services.

The offer of 1.37 Sprint shares for each share in Centel values the latter company at about \$33.565 a share, below its \$42.50 closing price on the New York Stock Exchange. The offer came after trading ended, and Centel had increased 75 cents for the day. Sprint was unchanged at \$24.50. Besides the common stock, Centel would receive or retire all of its preferred stock, except for 6 percent shares, which are to be swapped for Sprint preferred.

Centel has about \$1.56 billion of long-term debt. The deal has been approved by the directors of each company, but must be approved by shareholders and regulators also is needed. Shareholder meetings of both companies are expected to be held late this summer and the merger is scheduled to be completed soon after.

The agreement says a Centel effort announced in January to maximize shareholder value. It said in February that it would put itself up for auction. Ameritech Corp. and Pacific Telesis Group had indicated interest in parts of the company.

The combined Sprint and Centel company, expected to have a book asset value of nearly \$14 billion and annual revenue of \$10 billion, would be 35 percent owned by Centel shareholders, the companies said. It would retain the Sprint name and remain headquartered in Kansas City, Missouri.

William Esrey, Sprint's chairman, said the combined company would be the only one involved in three telecommunications markets: long distance, local telephone, and cellular. Mr. Esrey will be the company's chairman, while Jack Frazer, Centel's chairman, will be president of the merged concern.

Mr. Esrey said: "We will be the country's third-largest long-distance provider; a local telephone company serving 5.7 million local customer lines; and a cellular company serving a population of more than 20 million."

Sprint's local telephone companies serve 17 states and overlap in four of the six that Centel serves. Sprint already is the third-largest long-distance telephone company, and its United Telephone local telecommunications division has more than 4 million customer lines. Centel has 1.6 million access lines for local service.

Chunnel: Where's the Light? Bouygues Remarks Hit Eurotunnel Shares

By Roger Cohen New York Times Service PARIS — Flayed by conflict and delays, the \$14.7 billion Chunnel tunnel project has degenerated from a grand symbol of European integration to a financial morass, with one of the leading contractors of the enterprise suggesting this week that it could face bankruptcy.

First scheduled to open on June 15, 1993, the tunnel's inauguration has been postponed to the last quarter of 1993 at the earliest and may well be pushed back to 1994. A bitter dispute with contractors and a breach of agreements with the banks that have underwritten Eurotunnel, the company that will operate the tunnel.

Shares in Eurotunnel plunged 3.7 percent Wednesday on the Paris Bourse after Martin Bouygues, the chairman of France's Bouygues SA construction company, said at a press conference Tuesday that "one cannot completely exclude the hypothesis that Eurotunnel will go bankrupt." He added that "the project has skidded off course and the situation is bad."

It was the first reference by an executive involved with the tunnel to a possible bankruptcy. Annabel Salmon, a spokeswoman for Eurotunnel, said "we were astonished by this unfounded outburst."

Bouygues, the largest French construction concern, is part of a consortium of five French and five British companies known as Trans Manche Link that is seeking \$2.6 billion in extra payments from Eurotunnel for work done up to now.

Eurotunnel is contesting the claim from Trans Manche, and company officials suggested Mr. Bouygues's angry statement may have amounted to posturing. Mr. Bouygues did not return telephone calls seeking elaboration. But analysts, while generally describing Mr. Bouygues's warning as exaggerated, said Eurotunnel's plight was dire.

"It was originally budgeted at \$8.7 billion, now it's budgeted at \$14.7 billion, and we still don't know what the final cost will be," said Mark McVicar, an analyst at County Natwest Wood Mackenzie. "We don't know when the tunnel will open, whether the conflict with contractors will be resolved, or what revenue to expect. It's all very vague."

Although the two rail tunnels were completed in May and June of last year, they still have to be equipped with power systems, signaling, air conditioning and other equipment in what amounts to a highly complex engineering operation. On completion, the shuttle service between France and England should take 37 minutes.

But the completion date of Europe's largest construction project keeps retreating. Eurotunnel, whose shares were floated in 1987, was ordered by an independent arbitration panel last March to begin paying \$91 million a month to contractors toward their disputed \$2.6 billion claim.

Markets Digest Shocking News On Oil Prices

By Lawrence Malkin International Herald Tribune NEW YORK — Most financial and energy markets calmed down Wednesday as economic forecasters took the prospect of firm oil prices in stride and predicted they would barely retard the slow U.S. recovery.

"I don't see much effect on the economy of \$3 a barrel more for oil, which would bring prices back to where they were before the Gulf War," said Allen Sinai of Boston Co. Economic Advisers. "That's always nerve-racking and scary with oil is the political risk of something worse, but this time I think the markets overdid it."

Specialists in the oil market forecast only a slight rise in prices later this year. Ann-Louise Hittle, senior oil analyst for Lehman Brothers, predicted Texas benchmark prices would move within a range of \$20 to \$23 a barrel this summer — only \$1 higher than her forecast before the Organization of Petroleum Exporting Countries said last week it would keep to its quotas when the summer restocking season raised demand.

"But will the quotas hold? And will they readjust them in the fourth quarter?" asked Peter Jacobs of Merrill Futures in London, which is forecasting Brent crude at \$21 a barrel for the summer, up from the current cash price of \$20.84.

The most dramatic effect so far was a one-day jump on Tuesday in long-term bond interest rates, and a sharp drop in most nonenergy Wall Street stocks, caused largely by fears that the situation could escalate.

Taking a more considered view on Wednesday, the stock and bond markets stabilized, showing little change. After Tuesday's jump of more than \$1, oil futures in New York steadied at just under \$22 a barrel for July, down about 2 cents for the day.

The dollar jumped almost 2.5 percent on Wednesday, but a sharp drop in most nonenergy Wall Street stocks, caused largely by fears that the situation could escalate.

Japanese Banks To Raise Rates TOKYO — For the first time in 11 months, Japanese banks decided Wednesday to raise their prime lending rates, but the move does not signal a turnaround in Japan's sagging economy, analysts said.

In coming months, they said, the banks may reverse their decision to raise the prime rate to 6.3 percent, from 6.0 percent, effective June 1. The key is whether the economy picks up.

See UNION, Page 15

CURRENCY RATES

Table with columns for Currency, Par \$, and other financial data. Includes entries for Australian, British, Canadian, etc.

Other Dollar Values

Table with columns for Currency, Par \$, and other financial data. Includes entries for Argentine, Hong Kong, Indian, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and other financial data. Includes entries for Canadian, Japanese, etc.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and Asian Dollar Deposits. Includes entries for 1 month, 3 months, 6 months, etc.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and other financial data. Includes entries for Merrill Lynch, etc.

Edinburgh Bids for Eurofed

By Erik Ipsen International Herald Tribune EDINBURGH — The battle to provide a home for the yet-to-be-created European Central Bank and its presumed legions of highly paid technocrats took a bizarre turn on Wednesday, when Edinburgh boldly threw its hat into the ring alongside those of such better-known rivals as Frankfurt, Amsterdam and London.

At a conference in the Scottish capital at which Edinburgh announced its candidacy and attempted to map a way for its nascent campaign, the city's Lord Provost said that Edinburgh was "second to none" and gamely maintained that "with a bit of luck, we could take the prize."

By all accounts, vast quantities of luck will be essential. Scotland can legitimately lay claim to being in the top rung of second-tier financial centers, with its fund managers looking after \$150 billion (\$274 billion) and with nearly 190,000 people working in the financial-services sector. But those facts are little appreciated outside Britain, as more than one conference participant glumly conceded.

Then, too, Edinburgh's bid does not even enjoy the blessing of its own national government, which instead is backing London's run at housing the European Central Bank.

In London, the Lord Mayor's office has a £1.5 million kitty earmarked for its Eurofed campaign. London's campaign pits it against Europe's only other world-class financial center, Frankfurt. But, said Nigel Szemmel, the Lord Mayor's spokesman, "We are being rather more subtle than the Germans, with their big advertising campaign."

While bankers and local politicians alike at the conference agreed that it was essential for Edinburgh's bid to receive the backing of the national government, a major question point emerged on the timing of how that would affect London's own candidacy.

Mainland Chinese Interests to Buy Hongkong Land's New Skyscraper

By Laurence Zuckerman International Herald Tribune HONG KONG — Hongkong Land Holdings Ltd., the colony's premier commercial landlord, said Wednesday it was selling a prime office and retail property in the heart of the city for 3.8 billion Hong Kong dollars (\$491.0 million) to a consortium backed by mainland China interests.

The pink granite tower, called Nine Queen's Road Central, was recently completed and is one of the most distinctive in Hong Kong's skyline. Its sale to investors from across the border is the latest in a string of mainland property purchases that have helped buoy confidence in the colony's future after it is handed back to Beijing in mid-1997.

Innsbruck Co., described by two of its Hong Kong shareholders as a "company controlled by a consortium of major mainland and Hong Kong-based parties," is the buyer.

News of the sale helped push the entire Hong Kong stock market higher, and the Hang Seng index rose 30.62 points, to a record 6,082.70. Some of the gain was attributed to a bid for minority shares in Cavendish International Holdings Ltd. by Hutchison Whampoa Ltd. (Page 15)

Six months ago, the deal would have raised fears about the Jardine group's commitment to the colony.

Hongkong Land said that Innsbruck had paid a \$25.6 million nonrefundable deposit and that the sale is conditional on the signing of an agreement on June 10. The remainder of the cost is to be paid in cash installments ending in June 1997. Hongkong Land will manage the property for "an indeterminate period," according to Alasdair Morrison, its managing director.

Analysts said the sale of the 32,580-square-meter (362,000-square-foot) building provides a windfall for Hongkong Land, which was said to have invested only 2.1 billion Hong Kong dollars developing the 38-story tower. "It was an offer that we felt was attractive and that reflected the value we added to the building," Mr. Morrison said.

Six months ago, when Jardine was caught up in a dispute over whether it would transfer the listings of its companies to London from Hong Kong, the sale of one of Hongkong Land's prime properties would have fed rumors that it was withdrawing from the colony in advance of 1997.

But the recent reform push in China and subsequent blooming of worldwide investor interest in the Chinese provinces bordering

Advertisement for Blancpain watches. Features an image of a watch and text: 'IB 1735 BLANCPAIN SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE. LUIGI VERGA S.A.S. DI VALERIO VERGA & C. OROLOGERIA'.

MARKET DIARY

Stocks Edge Higher As Oil Stabilizes

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks finished slightly higher Wednesday as oil prices stabilized and inflation fears faded.

Prices rebounded from heavy losses on Tuesday, when a jump in oil prices ignited fears that rising inflation would crimp the U.S. economic recovery.

The market got a little oversold yesterday, despite the fact that the oil stocks rallied, said Frank Grez, a technical analyst at Shields & Co. "I think that helped hold things together today."

The Dow Jones industrial average, which dropped 22.56 points Tuesday, gained 6.23, to 3,370.40.

Advances and declines were about even on the New York Stock Exchange. Volume totaled 177.4 million shares, down from 196.9 million on Tuesday.

The jump in oil prices on Tuesday was spurred by reports that Saudi Arabia, a pivotal force in world energy markets, had shifted its oil strategy to encourage higher prices.

The news was initially seen as an inflationary threat and a possible obstacle to the progress of the U.S. economic recovery.

"Today, people took a more realistic look at the economy and recognized that the inflation fears were probably overblown," said

Barry Berman, head trader at Robert W. Baird & Co.

Ray Dalio, an analyst at Bridgewater Associates in Wilton, Connecticut, said: "The Saudis are against a big gain in oil prices nearly as much as they're opposed to a big fall. They know that a spike in oil prices would threaten the fragile global economic expansion, which would hurt demand."

Oil stocks, which rallied sharply Tuesday, came under pressure as investors took profits.

The three oil stocks in the Dow industrials all declined. Exxon fell 2%, to 61 1/2, Texaco fell 2%, to 64 1/2, and Chevron eased 1%, to 70 1/2.

Syntex was the most active issue in Big Board Trading, down 3%, to 37 1/2. The pharmaceutical concern on Tuesday reported third-quarter earnings of 56 cents a share, below analysts' expectations.

Philip Morris followed up 1 to 75 1/2, after announcing a program to repurchase \$3 billion of its outstanding common stock.

Aracruz Celulose SA of Brazil was third, quoted at 13 1/2 on its initial trading. Its offering of 10 million American Depositary Shares was priced at \$13.25 a share.

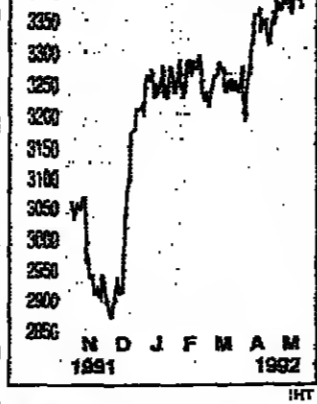
Control Data rose 1 1/2, to 134, after announcing plans to divide its computer and services businesses.

Salomon Phibro Oil Trust led the American Stock Exchange actives, down 1/2 at 3 1/2.

Calgens led the over-the-counter actives, down 1/2 at 15 1/2. (Bloomberg UPI, AP, Reuters)

The Dow

Daily closings of the Dow Jones industrial average



1981 1992

NYSE Most Actives

Table listing the most active stocks on the NYSE, including symbols, prices, and volume.

AMEX Most Actives

Table listing the most active stocks on the AMEX, including symbols, prices, and volume.

NYSE Diary

Table listing NYSE market activity, including advanced, declined, and unchanged issues.

Amex Diary

Table listing AMEX market activity, including advanced, declined, and unchanged issues.

NASDAQ Diary

Table listing NASDAQ market activity, including advanced, declined, and unchanged issues.

Dow Jones Averages

Table showing Dow Jones averages for various market sectors.

Standard & Poor's Indexes

Table showing Standard & Poor's indexes for various market sectors.

NYSE Indexes

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AMEX Stock Index

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Table showing market sales for various market sectors.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. odd-lot trading for various market sectors.

EUROPEAN FUTURES

Table showing European futures prices for various commodities.

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Table showing industrial futures prices for various commodities.

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Table showing stock indexes for various market sectors.

Dividends

Table showing dividends for various market sectors.

Financial

Table showing financial futures prices for various commodities.

3-MONTH STRIPS (LIBFF)

Table showing 3-month strips (LIBFF) for various market sectors.

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Commodity indexes

Table showing commodity indexes for various market sectors.

Maughan to Head Salomon Brothers

NEW YORK (Reuters) — Salomon Inc., the investment-banking giant that admitted to Treasury auction violations last year, on Wednesday named Deryck Maughan chairman and chief executive officer of its Salomon Brothers Inc. subsidiary.

Mr. Maughan had been chief operating officer of Salomon Brothers, working with Warren E. Buffett, acting interim chairman and chief executive officer of both Salomon Inc. and Salomon Brothers.

On May 20, Salomon Inc. settled civil charges that it broke rules at nine U.S. Treasury auctions, capping a scandal that engulfed the prominent Wall Street firm for almost a year. The settlement between Salomon and the government involved payment of \$290 million.

Philip Morris Sets \$3 Billion Buyback

NEW YORK (AFX) — The board of Philip Morris Cos. approved Wednesday a program to buy back an additional \$3 billion worth of its common stock. The company said the new program, added to \$1.1 billion from a \$2 billion stock-buyback plan in November, would result in a combined share-repurchase program of \$4.1 billion.

Under the November agreement, 12.3 million common shares have been repurchased for a total cost of \$929 million. The company has about 911 million shares outstanding. Repurchased shares may be used for employee benefit programs or other corporate purposes, it said.

Tenneco Closes Sale of Minerals Unit

HOUSTON (UPI) — Tenneco Inc. said Wednesday that it had completed the previously announced \$500 million sale of its Tenneco Minerals Co. to Solvay America Inc. as part of Tenneco's \$3 billion restructuring program.

Proceeds from the sale will be used to pay off debt. The company will record a \$100 million net gain on the sale. "Our ongoing restructuring actions, including the completion of this sale, along with the tough operating targets we've set for ourselves, show that we're serious about reducing debt, improving profitability and continuing to develop our long-range strategy," said Michael Walsh, the Tenneco chairman.

Wang to Cut World Staff by 1,000

LOWELL, Massachusetts (Reuters) — Wang Laboratories said Wednesday it would reduce its work force by more than 1,000 worldwide over the next several months, as part of a new development and marketing strategy to control costs and lower expenses.

As of April 30, the company employed 13,532 people in its continuing operations. The cost of the adjustment has not yet been determined. It will be reflected as part of operating results in the fourth financial quarter, ending June 30, said Wang.

American Stores Profitable in Period

SALT LAKE CITY (UPI) — American Stores Co., one of the leading U.S. supermarket and drugstore operators, reported Wednesday earnings of \$19.2 million, or 28 cents a share, for its first quarter, which ended May 2, compared with a loss of \$4.7 million in the period a year earlier.

Sales for the first quarter were \$4.92 billion, compared with \$3.41 billion in the same quarter last year. The total for the 1992 quarter includes \$26.9 million from stores that have been sold, which include 74 Jewel Ocos stores, 145 Alpha Beta Co. stores and 59 drugstores. The 1991 total includes \$362.3 million from disposed stores.

For the Record

Smart Corp., the second-largest U.S. retailer, might split off some of its specialty stores in a bid to boost shareholder value, Chairman Joseph Antonini said at the annual meeting. He said the proposal was "still in the reviewing stages."

The Italian entrepreneur Sergio Cragotti will pay around \$300 million to take control of the U.S. canned-foods producer Del Monte, the financial daily Il Sole 24 Ore of Milan reported.

OIL: Markets Digest Sharp Rise

(Continued from first page) Only 0.2 percent, and that was boosted by a 6.1 percent rise in the volatile transport-equipment sector. Not counting defense and transport, orders fell 0.2 percent, compared with a 0.7 percent March rise.

Shipments of durable goods also declined 0.2 percent in April, their first drop this year. But auto producers seem to be doing well, and mid-May car sales reported Tuesday rose to an annual rate of 6.7 million, the highest since late December. "If this sales pace is sustainable, Detroit would increase production rather dramatically," said Debbie Johnson of C.J. Lawrence & Co.

The National Association of Business Economists surveyed 44 leading corporate forecasters and reported their consensus of expected growth was 2 percent for 1992. This was an upward revision of half a percentage point because of rising inventories early in the year, but still what the group called a "subdued" recovery.

Samuel Kahan of Fuji Securities saw offsetting effects: slightly higher energy prices counterbalanced by lower prices elsewhere in an economy growing almost imperceptibly more slowly, and a trade deficit increased by the higher cost of crude oil imports. "The difference this time between 1974, 1979, and Kuwait is that there is no shock effect, and the economy has time to adjust to it," he said.

"This doesn't shut down the recovery. It reverses a downturn in inflation, but it really does not establish an uptrend. It also means that the Fed, which was standing down, now will not get up to bat," he said.

WORLD STOCK MARKETS

Agence France Press May 27

Table showing world stock markets for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others.

EC Ministers Mired on Toxic Waste

BRUSSELS — European Community environment ministers failed to agree late Tuesday on a common policy toward the handling of toxic wastes among the 12 Community members, after France refused to accept proposals by the EC Commission.

The French environment minister, Strogline Royal, said that Paris "could not approve an agreement that said treated toxic-waste products 'just like any other goods' by letting them freely cross EC borders when the single market comes into effect in January.

France is demanding that EC policy be based on the principle of self-sufficiency, under which countries have to provide adequate treatment for their own toxic waste.

Investment Information

THE MONEY REPORT EVERY SATURDAY IN THE IHT

Stockholm

Table showing Stockholm stock market activity.

Toronto

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Zurich

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London

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Milan

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Agence France Press May 27

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Stock indexes

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Commodity indexes

Table showing U.S. commodity indexes.

Market Guide

Table showing market guide for various commodities and indices.

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NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time
7:30 a.m. compiled by the AP, consists of the 1,000
most traded securities in terms of dollar value. It
is updated twice a year.

Symbol	Price
AA	25 1/8
AAE	25 1/8
AAI	25 1/8
AAL	25 1/8
AAP	25 1/8
AAS	25 1/8
AAT	25 1/8
AAY	25 1/8
AB	25 1/8
ABC	25 1/8
ABD	25 1/8
ABE	25 1/8
ABF	25 1/8
ABG	25 1/8
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AMEX

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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These tables are compiled by the AP, and are based on data provided by the market makers. They are not intended to be used as a basis for investment decisions. The prices shown are the closing prices as of 4 p.m. New York time on the day of publication. The prices shown are in U.S. dollars. The prices shown are for the most traded securities in terms of dollar value. The prices shown are updated twice a year.

Li Tries for Cavendish Again Bid Is 34% Above Offer Rejected Last Year

**By Laurence Zuckerman
International Herald Tribune**

HONG KONG — A year after minority shareholders rejected his bid to buy them out of Cavendish International Holdings Ltd., the investor Li Ka-shing came back Wednesday with a 34 percent higher offer, worth 5.84 billion Hong Kong dollars (\$746 million).

Hutchinson Whampoa Ltd., one of the main companies in Mr. Li's empire, said it would offer 5.26 Hong Kong dollars per share for the 36.62 percent of Cavendish it does not already own.

In February 1991, Mr. Li offered 4.10 Hong Kong dollars for each share, but the offer failed to win the approval of three-quarters of the company's minority shareholders, despite a positive recommendation by an independent financial adviser.

One of the tycoon's few failures, Cavendish was created in 1987 as a holding company for a variety of property and energy assets also held by other entities controlled by Mr. Li, especially Hutchison Whampoa. The company holds stakes in a Hong Kong hotel, residential property developments, one of the colony's two franchised power utilities and Husky Oil Ltd. of Canada.

Although it is one of the constituent stocks of the Hang Seng index, Cavendish has never really caught on with investors, foreign or local. "Basically, it is just a redundant listing," said Edward Chen, an analyst with Cititong Research International. "It doesn't play an important role in the group."

Since Mr. Li's first offer was rejected last year, the company has severely underperformed the booming Hong Kong stock market. Many players avoided the shares, convinced Mr. Li would never do anything that would benefit his insubordinate minority shareholders.

"The group doesn't see much hope of making Cavendish work," said one analyst who asked not to be identified. "They just don't know what to do with it."

Hutchinson said the takeover "will allow the group structure to be simplified and economies effected."

Several analysts predicted the new bid, which is a 32 percent premium on Cavendish's Tuesday closing price of 4.17 Hong Kong dollars, is unlikely to be rejected by shareholders. "If you look at Cavendish's share performance in the last year, it is very close to its all-time high," said the analyst.

Before the 1991 bid, Cavendish traded at 3.83 dollars.

The key question, analysts say, is how Hutchison will pay for the acquisition. Although the company has the cash, there have been rumors for weeks that it was about to tap its shareholders for funds via a rights issue. Either way, Hutchison's price is liable to slip.

Hutchison did not provide details of the offer, which it said would be made available to shareholders within three weeks. Shares in both companies were suspended from trading Wednesday.

Cheung Kong Shares Advance

Shares in Cheung Kong (Holdings) Ltd., which holds 39.1 percent of Hutchison Whampoa, rose 1.10 Hong Kong dollars, to 25.70 dollars, boosted in part by the bid for Cavendish. Bloomberg Business News reported.

Analysts said another factor in the advance was a rumor that the investment company was arranging a major deal involving Shanghai property.

Traders said that if Hutchison succeeded in taking Cavendish private it would simplify the structure of Mr. Li's companies and make it far easier for the restructuring of weaker assets.

Shanghai Is Warned On Market Clampdown

BEIJING — A decision by the Shanghai stock exchange to outlaw investment syndicates has drawn fire from Chinese market analysts, who say it will only add to confusion on the fledgling exchange, currently on a roller-coaster ride.

Stock prices in Shanghai plummeted almost across-the-board for the second straight day Wednesday, with the exchange's index losing 124.9 points to close at 1,192.5.

The market has dropped 19 percent since Shanghai newspapers reported Tuesday that exchange authorities had outlawed investment syndicates to try to cool overhyped prices. The syndicates, which had been rumpaging selected prices, were told to unwind their positions.

Tuesday's move abruptly reversed a surge that began last Thursday, when exchange authorities lifted all restrictions on daily share-price fluctuations. On that day, the stock exchange index more than doubled.

Analysts estimate that half the 100,000 trading accounts in Shanghai are controlled by syndicates, with the rest held by individuals. Local dealers allow the syndicates to jump long lines to buy and sell, a privilege that leaves small investors stranded when they take profits.

Critics say the ban is probably unenforceable, and may even be illegal. They say it has tarnished the image of a market that has suffered from excessive official intervention since it opened just last December.

"Investors are confused," said Song Liping, a chief market analyst at Beijing's Stock Exchange Executive Council, a private think-tank that helped to establish China's two bourses to Shanghai and in the southern boom town of Shenzhen. "I don't see how they can enforce the laws," she said.

Market manipulation by trading syndicates highlights severe technical problems on a market whose computer trading systems are already strained beyond capacity. A total of 15 shares are now listed, and it is not clear how the market will cope with another 50 listings planned for this year alone.

Exchange authorities have said they are planning to set up a market annex in the next few days that will be linked to the main trading floor with open telephone lines and that will only accept sell orders.

The annex is designed to ease the market's biggest bottleneck and protect the interests of small investors, who now have trouble selling shares.

Property Write-Down Batters Fletcher Stock

AUCKLAND, New Zealand — Shares in Fletcher Challenge Ltd. tumbled on Wednesday after the biggest company in New Zealand announced a hefty real estate write-down that is to give it its first annual loss.

Fletcher stock fell 3.2 percent, to 3.60 New Zealand dollars (\$1.92), down 12 cents on the day. But analysts said the sales were mostly by small investors who overlooked an important positive development: the wood-products, energy and construction company plans to tighten its accounting standards, bringing them into line with generally accepted accounting principals in the United States.

The Fletcher stock decline dragged the New Zealand 40-stock capital index down 15 points, to 1,540. Fletcher accounts for about 20 percent of the index.

Late Tuesday, Fletcher said it would take a 400 million New Zealand dollar charge against income to account for worldwide real estate weakness and would post a 155 million dollar loss for the year through June, compared with profit of \$55.01 million a year earlier.

About 350 million of the write-down will cover real estate in Australia and New Zealand, plus security holdings in Jennings Group Ltd. of Australia. Bruce D. Cooper, president of Fletcher Challenge Finance Canada in Toronto, told the International Herald Tribune. Mr. Cooper said Fletcher owned 48 percent of Jennings, and the remaining 50 million dollars of the charge was related to that company's sale of its Southgate project in Melbourne.

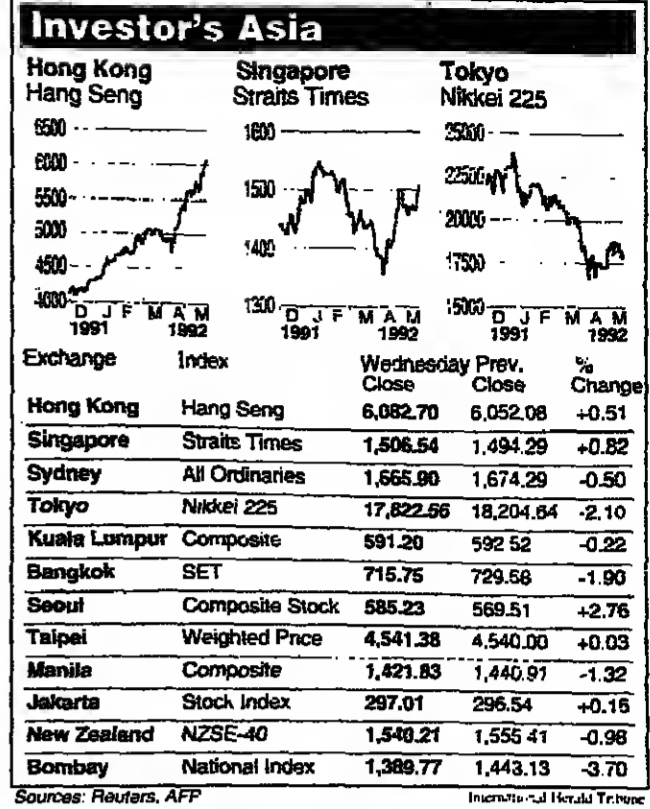
Mr. Cooper pointed out that Fletcher had previously said it would exit the real estate business. He said the charge reflected weak worldwide property markets.

Despite the tumble in Fletcher's stock price, analysts said international investors ought to be delighted that the company decided to tighten its accounting standards. About 40 percent of its shares are held overseas, and 90 percent of its borrowing is from lenders abroad.

Fletcher will adopt a single balance sheet, value its forests and fixed assets by the historical-cost method, deconsolidate non-controlled companies and treat as treasury stock the shares owned by its employees unit trust and share-purchase schemes.

"From an overseas fund manager's point of view it will make Fletcher a simpler company to understand," said Graeme Thomson at Cavill White Securities, who had some qualms about the necessity of some of the changes.

The changes mean Fletcher's debt-to-equity ratio rises to 59 percent from 52 percent, making its long-haul target of 50 percent that more elusive. On the other hand, most analysts' own calculations had already accounted for this.



- ### Very briefly:
- Australia & New Zealand Banking Group Ltd. said net profit rose 63 percent in the six months ended March 31, to 171 million Australian dollars (\$129 million), reflecting significant restructuring, lower bad-debt charges and lower interest rates.
 - Japanese industrial production rose a seasonally adjusted 0.7 percent in April from March, the Ministry of International Trade and Industry said, the first rise in seven months.
 - Asia Cement Corp., one of Taiwan's largest cement companies, has obtained government approval to raise up to \$75 million overseas through the sale of global depository receipts.
 - C. Itoh & Co., one of Japan's leading trading companies, plans to import gas condensate, which is used to produce petrochemical materials, from the state-run Urengoygasprom in Western Siberia, officials said.
 - Macao's government has rejected a bid for the local branch of the Bank of Credit & Commerce International (Overseas) Ltd., by a joint venture between Taiwan and Portuguese interests, saying it did not meet the minimum conditions for acceptance.
 - Takeda Chemical Industries, Japan's leading maker of antibiotics, posted a 3 percent drop in current profit, to 71.3 billion yen (\$51 million), for the year ended March 31, partly because of higher research and development costs.
 - The Singapore International Monetary Exchange said it would stay open for trading during local holidays in order to remain competitive.
 - Sweden government has scrapped the restrictions on foreign aid credits to China that were imposed after the military crushed pro-democracy protests in Beijing in 1989.

Thailand's Unrest Has Not Dented Baht, but a Float Looks Less Likely

BANGKOK — The military crackdown on protesters in Bangkok has dented Thailand's economic and investment outlook but its traditionally strong currency, the baht, has survived intact.

Analysts expect the baht to remain one of the world's most stable currencies — unless political unrest is prolonged. But the turmoil has ruled out any move to fully float the currency in the near future.

"I don't see the baht's stability threatened under the current circumstances unless there is a significant deterioration in the political scene to change the underlying economy," said Keith Wilson of the Bank of America branch here.

The baht, fixed daily by the Bank of Thailand against a basket of currencies dominated by the U.S. dollar, firmed to 25.48 to the dollar on Wednesday, compared with 25.59 on April 7, when General Suchinda Kraprayoon took office as prime minister.

The baht has fluctuated in a relatively narrow range, from 25.11 to 26.30, since 1986.

Economists said the baht owed its stability to Thailand's strong economy, which posted one of the world's highest growth rates from 1987 to 1990, and to large foreign reserves, of \$18.9 billion at the end of March, that could finance 5.8 months of imports.

But prices on the Thai stock market are expected to edge down, with the Securities Exchange of Thailand index moving to the 680-to-715 range as part of the economic fallout from the political unrest.

The SET index on Wednesday fell 13.83 points to 715.75, with declining stocks outnumbering those advancing 9 to 1, in light volume.

Investors are expected to lower bids on concerns that economic growth will slow in virtually every sector, said Mike Stead, a senior analyst for Union Securities. "Few companies will escape the economic fallout," he said. "Obviously tourism has been hurt badly and property sales, be they commercial or residential, should plunge. But there are implications for every sector, even consumer products."

Mr. Wilson said the baht's long-term stability would depend on political changes to the next few months. The quality of the new cabinet would be closely watched by the business sector, which hopes it will include nonpartisan economists and technocrats.

Nimit Nonthapantawat, chief economist of Bangkok Bank Ltd., said that although the baht had retained its image as the strongest currency in Southeast Asia after the Singapore dollar, the unrest had ruled out any early move to float the unit fully.

"Most developing countries cannot afford a complete free-float system, not if they cannot guarantee that political or economic unrest like what we saw here last week will not happen," he said.

Profit Falls at Nippon Oil, 2 Rivals Record Gains

TOKYO — Nippon Oil Co., Japan's biggest distributor of petroleum products, said Wednesday that foreign-exchange losses and rising costs pushed its current profit down 5.9 percent in the year ended March 31.

But current profit rose at Mitsubishi Oil Co. and Cosmo Oil Co. because of improved margins and cheaper oil.

The three oil companies predicted that current profit would be flat or lower this year. A slowdown in demand for oil products and the abolition of limits on refining output have clouded the outlook for the industry this year, analysts said.

Nippon Oil said current, or pretax, profit fell to 44.1 billion yen (\$341 million). Sales fell 7.5 percent, to 2,029 trillion yen, but net profit more than doubled, to 32.9 billion yen. The increase in net profit resulted from profit on the sale of land, a Nippon Oil official said.

Mitsubishi Oil, an oil distributor and refiner, said its current profit rose 9.7 percent, to 23.49 billion yen, while net profit rose 23 percent, to 13.59 billion yen.

Demand for oil products grew 2 percent in Japan during the year, aiding sales, Mitsubishi Oil said. But the value of its sales fell 4.4 percent, to 1,041 trillion yen, because prices for oil products declined.

Cosmo Oil, an oil wholesaler, said current profit rose 53 percent, to 27.8 billion yen. Sales dropped 7.7 percent, to 1,581 trillion yen, while net profit surged 91 percent, to 18.43 billion yen.

Greater production efficiency and an improved financial position contributed to the jump in current profit, Cosmo Oil said.

Korea Bails Out 3 Trusts

SEOUL — The Bank of Korea will provide a 3.2 trillion won (\$4.1 billion) low-interest loan to rescue three investment-trust companies facing bankruptcy, Finance Minister Rhee Yong Man said Wednesday.

The three companies — Daehan, Hankook and Kukmin — are saddled with a combined debt of \$7.5 billion after they heeded a government order to buy shares "unlimitedly" to prop up the sagging stock market in December 1989.

The news of the bailout sent the composite stock index soaring 16 points to close at 583 at the Seoul Stock Exchange. The index had hit its low for the year, 569, on Tuesday.

Power to the Market: Malaysia Awaits Tenaga Listing

KUALA LUMPUR — Malaysia's fast-growing stock market gets a big new counter on Thursday when trading starts in the state-owned power company Tenaga Nasional Bhd. — the largest flotation yet under a major privatization program.

Analysts say unleashing Tenaga could add a staggering 24 billion ringgit (\$9.52 billion) to the market capitalization of the Kuala Lumpur Stock Exchange, a rise of nearly 14 percent from its current 175 billion ringgit.

Tenaga will be the exchange's largest company in terms of assets, with paid-up capital of 3.0 billion ringgit. It could also quickly become a darling of local and foreign fund managers.

Since the 1980s, Malaysia has embarked on a major program to sell off state enterprises, including Malaysia Airlines and the current market leader, the telecommunications concern Telekom Malaysia Bhd., which was floated in 1990.

Tenaga could rival Telekom's market capitalization if its share price exceeds 8.0 ringgit. Telekom now leads the exchange, with a market capitalization of more than 25 billion ringgit at recent prices ranging above 12.50.

"Tenaga will always trade at a 15 to 20 percent discount to Telekom," said Choong Khat Hock, representative of BZW Securities Ltd. "Telekom's revenue growth averages 17 percent a year, compared with between 12 and 15 percent for Tenaga. Tenaga is also always more vulnerable to currency volatility and changes in fuel prices," he added.

The recent strengthening of Malaysia's currency, the ringgit, favors Tenaga as it would make fuel imports cheaper, some analysts say.

They said Tenaga's shares were likely to trade between 7.50 and 8.0 ringgit, against the 4.50 offer price.

"We are recommending a buy until 7.50," said Mr. Choong of BZW. "At that level you would at least have some upside."

"The gray market is supposed to be trading at between 7.0 and 7.20 ringgit, so it will probably open at this level," said the representative of another foreign stockbrokerage. The price would also depend on the level at which shareholders, especially Tenaga employees who were allotted close to 85 million shares, are willing to sell.

Tenaga offered 685.05 million 1 ringgit shares at 4.50 each, raising more than 3.0 billion ringgit for the company.

Sixty million shares were auctioned off to local and foreign investors, attracting strong interest from foreigners who are keen on a company that virtually monopolizes power generation and supply in Malaysia.

There is a 25 percent limit on foreign ownership of Tenaga shares.

Tenaga's group pretax profit rose to 790 million ringgit for the half-year ended in February, from 188 million in the same period a year ago. Some analysts have revised forecasts of Tenaga's pretax profit for the year to August 31, to 1.5 billion ringgit, against the company's own projection of 1.07 billion.

Tenaga would trade at a price/earnings ratio of 18 times at 7.50 ringgit, about the level of the exchange as a whole, which, analysts say, has been drifting due to concerns over possible interest-rate increases.

NYSE Wednesday's Closing

Table showing NYSE market data including various stock indices, company listings with their respective prices and changes, and financial metrics. The table is organized into columns for different market segments and includes a continuation of the data from the previous page.

UNION: Electrical Workers Group Stays Close to Its Blue-Collar Roots

(Continued from first finance page)

United Electrical Workers welcomed help from the International Union of Electrical Workers.

Industrial companies remain the UE's prime target, but the newest local was formed this spring by employees of the Ohio turnpike system. The union also has welcomed approaches over the years by employees of radio stations like WBAI in New York and WBCN in Boston, which became UE locals.

Trade unionism UE style includes fervent opposition to company-sponsored quality circles, worker-team concepts and other forms of cooperation now widely used in U.S. factories to raise productivity.

In one case in 1986, members at a United Electrical local in GE's plastics plant in Parkersburg, West Virginia, the plant removed eight officers and stewards from office for traveling with GE officials at company expense to Japan to see quality-improvement programs in action.

"If we thought the Japanese had anything to teach us, we'd pay for sending our members overseas," Adam Fiorvanti, the local's business agent, said several months later.

As the UE sees it, programs like GE's are part of a never-ending effort by executives to get workers to identify their long-term welfare with company goals and to push independent unions to the sidelines.

The views of the United Electrical Workers are shared by substantial minorities in other unions and even, in some cases, by leaders.

"We haven't had any success trying to convince people not to participate in quality circles, so our policy has become to try to take them over and make them union instruments," said Bob Wages, president of the Oil, Chemical and Atomic Workers International Union.

Critics say that the rigid view of managers as "them" will only hurt the United Electrical Workers and that the UE's meager salary structure is also obsolete.

"I don't think a worker wants to be represented by another poor person," said Gabe Villareal, a former UE field organizer who now is a personnel executive in Sanger, California, for the General Cable division of Penn Central Corp.

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SPORTS BASEBALL

Padres Sink Pirates in 10th

The Associated Press

Randy Myers again failed to save a game for Greg Harris, leaving it up to Darrin Jackson to save the night for the San Diego Padres. On the night when Gary Sheffield's 18-game hitting streak ended, Jackson hit a three-run home run with two outs in the bottom of the 10th to give the Padres a 6-3 home victory over the slumping Pittsburgh Pirates.

With two outs, Benito Santiago doubled off Dennis Lamp. Kurt Stillwell was intentionally walked

ninth in Chicago lifted San Francisco.

The Giants broke a 2-2 tie with three straight two-out hits off Chuck McElroy. Robby Thompson singled, moved to third on Will Clark's single and scored when Snyder followed with a line-drive single to left.

The Cubs scored single runs in the fourth and sixth for a 2-0 lead, but the Giants tied it in the seventh on Willie McCree's two-run pitch-hit double.

NATIONAL LEAGUE

Robinson, signed by the Phillies on May 22 after being waived by California, struck out five and did not walk a batter in six innings. The reliever Mike Hartley, Wally Ritchie and Mitch Williams finished, with Williams working two innings.

The Phillies took a 2-0 lead in the fourth inning off Mike Bielecki and RBI doubles by Mickey Morandini and Lenny Dykstra. Darren Daulton added a solo homer and Morandini hit a two-run, inside-the-park homer in the eighth.

Dodgers 5, Cardinals 2: Kal Daniels hit a two-run homer in the first inning in St. Louis, and Dave Hansen and Dave Anderson added consecutive solo shots in the second to power Los Angeles.

Lenny Harris doubled with one out in the first off Omar Oliveras and Daniels followed his first homer of the season. The Dodgers made it 4-0 in the second when Hansen hit his second homer of the year and Anderson followed with his first.

The Cardinals made it 5-1 in the fourth when Ozzie Smith led off with his 2,000th career hit, a triple, and scored on Felix Jose's sacrifice fly. Smith became the 15th active player to reach the 2,000-hit mark.

Astros 9, Expos 4: In Montreal, Steve Finley drove in four runs with a two-run single and a two-run triple as Houston handed the Expos their third straight loss after two victories under their new manager, Felipe Alou.

Steve Buechele doubled to the base of the wall in right-center to start the ninth. Gary Varsho, pinch running, then scored on Don Slaught's single.

"I had him 0-2, and he hit a good pitch," Myers said of Slaught.

Myers' ERA is now 5.63. In addition to the three blow saves, he also blew a four-run lead for Harris in a non-save situation.

"I never even thought of that," Myers said. "You save a few games in a row, you're going to blow some."

Giants 3, Cubs 2: Cory Synder's two-out RBI single in the top of the



Mel Hall of the Yankees came in low to make it safely to third on a triple in the first as the ball skipped past Scott LeRoy of the Twins.

Yankees Hold On to Win in Metrodome

By Jack Curry
New York Times Service

Call it a field of screams, a haunted house or a doomed dome. Whatever description is used for the Metrodome, the obvious point is that for the New York Yankees had trouble winning here last season. They lost all six games to the Twins.

So when Tim Lary strolled to the mound for the first time in 10 days against the Twins,

AMERICAN LEAGUE

pardon Yankee fans for feeling queasy. Minnesota had won 11 of its last 14 games and five straight at home.

Lary? He had been hit for 14 runs in his previous three starts and was rekindling memories of his horrible 1991, when his 6.49 earned-run average was the poorest in Yankee history.

It could have been a laugh, but the streaking Yankees were the ones smiling Tuesday night in Minneapolis because they vanquished the Metrodome and the Twins, 5-4.

Lary gave the Yankees 7 1/3 competent innings on a night when the bullpen desperately needed a rest. Steve Howe did have to get the

final five outs to earn his sixth save, but manager Buck Showalter did not mind that at all.

The Yankees won for the tenth time in 13 games and for the first time at the Metrodome since July 22, 1990.

But it was not easy. With a 5-0 lead, Lary was victimized by hloop hits in the sixth inning that helped the Twins to three runs.

In other games, *The Associated Press reported*: Rangers 6, White Sox 5: In Arlington, Texas, Dean Palmer and Ivan Rodriguez hit solo home runs to help Texas to its eighth victory in nine games. Jose Guzman pitched seven innings and struck out five.

Edwin Nunez, acquired Monday in a trade with Milwaukee, relieved with two on and two out in the ninth, and Texas ahead, 6-4. He gave up an RBI single to Frank Thomas, but retired George Bell on a fly ball for his first save.

Tigers 8, Royals 1: Bill Gullickson earned his sixth straight victory and Rob Deer and Mark Carreon had homers as Detroit won at home.

Gullickson needed only 83 pitches in his third complete game. He pitched a six-inning, had no walks or strikeouts and retired 17 of the final 19 batters.

Deer hit his 14th homer, a two-run shot in the seventh that made it 4-1. Carreon hit a three-run drive, his fifth, in the eighth.

Blue Jays 5, Brewers 4: In Toronto, Joe Carter hit a two-run homer, and Kelly Gruber and Pat Borders hit solo home runs to power the Blue Jays.

Dave Stieb allowed three runs on five hits in seven innings. Tom Henke pitched the ninth, giving up Darryl Hamilton's solo home run with two outs, for his seventh save.

Orioles 13, Mariners 8: In Seattle, Glenn Davis showed the kind of power that Baltimore wants him to provide, hitting a pair of two-run homers against the Mariners.

Davis, mostly on the disabled list since the Orioles got him before last season, began the day with one homer in 44 at-bats this year. His two home runs helped Baltimore take a 10-0 lead in the fourth inning.

Indians 1, Athletics 0: Dave Otto came off the disabled list to pitch six strong innings in Oakland, California, and Mark Lewis homered in the fifth off Bob Welch for the game's only run.

Red Sox 4, Angels 1: Roger Clemens pitched two-hit ball for eight innings in Anaheim, California, and stopped California for the seventh straight time.

Clemens allowed one run on five hits and struck out seven in a complete game. He pitched a six-inning, had no walks or strikeouts and retired 17 of the final 19 batters.

The Swing Is Back: Bonilla Hits Groove

By Dave Anderson
New York Times Service

NEW YORK — It's as much art as profession: trying to hit a moving, spinning, speeding baseball with a roundish, polished piece of ash wood. And if Ted Williams, hailed for having done it better than anybody else, considered it "the most difficult single thing in sports," think how much more difficult it is for anybody else.

Particularly for anybody who's trying too hard to do it. As Bobby Bonilla discovered.

The night the New York Mets opened the season in St. Louis, the 29-year-old slugger with the \$29

million contract opened with two home runs. Off that performance, it seemed that maybe he would be different, that maybe he wouldn't struggle under the burden of trying to justify all the millions he had collected as a free agent.

For all his Mr. October reputation, Reggie Jackson wasn't even Mr. May in 1977, his first season with the New York Yankees.

"I made a mistake," he said during his slow start this year. "I should've signed with the San Diego Padres."

It wasn't a mistake. It was just a matter of time before Jackson started swinging the same way he had with the Oakland Athletics in building his reputation. When the Yankees won last year's World Series, he hit a record five home runs, including three in the final game.

Throughout the first season or so, several slingers have struggled as newly minted multimillionaires, especially early in the first season after joining a new team. Dave Winfield with the Yankees, Darryl Strawberry with the Los Angeles Dodgers, and this year, Bonilla.

After those two opening-night homers, Bonilla didn't hit another homer until last week when he finally found what he was searching for: the same swing he used in a Pittsburgh Pirates uniform. When the Mets returned to Shea Stadium for their current series with the Cincinnati Reds, he had cranked 3

homer and driven in 11 runs in his previous six games.

But what exactly had Bonilla found in studying videotapes of his swing last season?

"Batting left-handed," the switch-hitter explained, "was holding my bat out over my shoulder instead of holding it close to my neck. Right-handed, I was holding my hands four or five inches higher. It's as simple as that."

Tom McCraw, the Mets' batting coach, had one word to describe Bonilla's problem: tension.

"Hold your arm out straight. Feel the tension," McCraw said. "But if you bend your arm, no tension."

Reflecting on his slump, Bonilla acknowledged that the tension in his arm had been created by his tension in trying to justify in all the Mets' fans his five-year, \$23-million contract.

"You can say, 'It's not going to happen to me,'" he said, "but you just want to do so well, you're trying to do things you didn't do before. You're trying to hit a three-run homer with nobody on."

Bonilla had asked the Pirates for tapes of last season's games, but the tapes never arrived.

Maybe the Pirates simply didn't want to help a National League East rival. Whatever the reason, Jay Horowitz of the Mets' front office finally asked Major League Baseball Productions to produce, or some tapes of Bonilla's at-bats with the Pirates last season.

Bonilla's sudden slump threatened his status on the road this season by .333 with 5 homers and 25 runs batted in. But at Shea Stadium, he has yet to hit a homer while batting .161 with only four runs batted in.

Some tension obviously will stay for Bonilla to produce at Shea Stadium. But the tension here has been quite the same for another newly minted multimillionaire: Darryl Strawberry of the Yankees, who was out of sight and out of mind during a stay on the disabled list. The \$7.5 million outfielder is hitting home runs now, notably a grand slam in a nine-run inning Monday, but Don Mattingly seems to be "mascotted" by more tension than Strawberry.

"I really don't want to talk about my swing," Mattingly keeps saying.

BOOKS

SALARYMAN

By Meg Pei. 296 pages. \$21. Viking Viking Inc., 375 Hudson Street, New York, New York 10014.

Reviewed by Michiko Kakutani

HERO STUCK in a rut, too innocent or naive to realize that the placid surface of his life conceals a host of anxieties and resentments. A series of experiences and losses that trigger a spiritual and emotional reassessment. The hero's gradual realization that he can and must change his life.

It's a familiar recipe for a bildungsroman, and Meg Pei uses it deftly in her first novel, "Salaryman." To tell the story of a Japanese corporate executive named Jun Shimada. When we first meet him, Jun is almost a parody of the stereotypical Japanese businessman: a hard-working grind with tunnel vision, who obediently conforms to all the corporate rules.

Jun works for Yamamoto Corp., the fifth-largest electronics company in the world, and he firmly believes in the advice set out in the office manual: "Every day must have a plan, a track upon which to ride the restless suit of one's ambition. He who does not plan fails and flounders. Life, within the office and beyond, should be organized, structured."

This structured office environment provides Jun with a welcome refuge from the volatile emotions he knew as a child

— his father was a Mishima-like writer, who committed suicide. For five years he has slaved away in the Tokyo office.

He has acquired a healthy bank account and an apartment filled with lots of Yamamoto products — kitchen gadgets, televisions, clocks. All is right with the world, Jun thinks: "I was young, healthy, intelligent, I had a wife and a baby daughter, a clean home, acquaintances."

All this abruptly changes when he is transferred to New York. Jun's wife, Taeko, is miserable in the United States; she is unable to learn the language, afraid of venturing into the city. She spends half her time crying in the basement of their Long Island home, the rest of her time carrying on an affair with her doctor.

As for Jun, he is miserable as well. He has become the boss's pet, and must spend hours performing demeaning chores like getting monograms put on his boss's shirts and making dinner and limousine reservations. He feels alienated from his co-workers, and equally estranged from the confusing world of Americans outside.

Pei has fashioned an engaging, straightforward voice for Jun, and he relates his adventures in America with a mixture of humor and wry detachment. Given the current tensions between Japan and the United States, the reader might expect to find a fair amount of multicultural comparisons between Japanese and U.S. business methods, social mores, lifestyles and manners. Surprisingly, this is the weakest area of

the book. Jun's observations tend to take the form of the broadest cultural clichés. Americans, in his view, are great believers in individualism, while the Japanese see themselves as cogs in a huge machine. Americans are outspoken, even rude, while the Japanese do their best to avoid confrontations and maintain face.

As "Salaryman" progresses, the reader realizes that Pei isn't really interested in exploring the differences between Japanese and American societies. She isn't even particularly interested in the fish-out-of-water aspects of Jun's story. Her focus — almost her sole focus — is on Jun's transformation, his butterfly-like metamorphosis from driven company man to conflicted individual.

That transformation is achieved at the expense of considerable pain: Jun's loss of his wife and children; his loss of face at his job; his loss of a secure future. An affair with a young Italian-American woman, several bouts of dangerous drinking and a life-threatening ulcer also contribute to Jun's realization that he's "done nothing true" with his life so far.

His descent into confusion and despair — and his subsequent determination to reinvent the second half of his life — are related with authority and brio. Indeed, the reader finishes "Salaryman" looking forward to Pei's next book, and also marveling that this completely self-assured novel marks her debut.

Michiko Kakutani is on the staff of *The New York Times*.

BRIDGE

By Alan Truscott

ROY Welland and Christal Heener, both of New York, won the regional Swiss Team title in Cromwell, Conn., in February. On the diagrammed deal from the Knockout Teams in the same tournament, Welland played neatly to overcome a bad trump split in an aggressive slam contract.

The bidding marked East with a spade-diamond two-suiter, and West chose a diamond lead. The jack was covered by the king and ace, and South cashed the queen. When a third diamond was played West ruffed with the five. This forced South to overruff with the queen and made another diamond ruff impractical.

With a good idea of the distribution, South looked ahead to the endgame in search of a 12th trick. He drew all the missing trumps in four rounds, led to the club ace, and surrendered a club trick to West. A spade was led to dummy's king, reaching this position:



Now dummy's club was ruffed, and East had to surrender; he could not protect both spades and diamonds.

PEANUTS

By Alan Truscott

"I'M LOOKING FORWARD TO A GOOD REPORT CARD NEXT WEEK. LOOK AT THESE TEST PAPERS..."

"THE WAY I SEE IT, 'SEVEN D-MINUSES' AVERAGE OUT TO AN 'A'"

"SIMPLE ARITHMETIC. HUH, SHR?"

"YOU GOT IT, MARCIE"

5-28

"I GOT A D!"

"ALL RIGHT! WHO'S BEEN MESSING WITH MY MIRROR?"

5-28

"HOLD IT. LET'S FIGURE THIS OUT. IF YOU AT 6:30 AND DRIVE ME AT 8:30, NUMBER OF US DO THE HOMEWORK."

"RIGHT."

"THAT MEANS THE HOMEWORK SHOULD BE DONE BETWEEN MY TIME AND YOUR TIME."

"RIGHT, WE NEED TO DO IT AT 7:30."

"BUT THE 7:30 CALVIN CLEARLY DIDN'T DO IT, OR YOU'D HAVE IT NOW AT 8:30."

"YEAH! THIS IS HIS FAVORITE!"

"THAT LITTLE LITTLE PUNK! HE'LL GET US BOTH IN TROUBLE!"

"LET'S GO GET HIM!"

WIZARD OF ID

"THE OPERATION DEMANDS YOU DEBATE THEIR CANDIDATES ON THE ISSUES"

"THE ISSUES?"

"I KNEW THEY'D RESORT TO DIRTY POLITICS SOONER OR LATER."

5-28

"HELLO, CHRISTINE! IT'S GOOD TO SEE YOU AGAIN, REX. PLEASE COME IN! WE CAN TALK IN THE LIVING ROOM!"

5-28

"GO THAT'S WHY MOM WAS TALKING TO YOU!"

5-28

"MEOW MEOW"

"BARK BARK BARK"

"HEE HEE HEE HEE"

"SPEAK ENGLISH!"

DOONESBURY

"REMEMBER, DEAR HEARTS, MY APRIL REPORTS EXCEPT FROM AN INTERVIEW WITH ANGELA BOWEN... BEING... MERELY CLARENCE THOMAS"

"SHE'S RECALLING RECALLING RECALLING AT A SIGN"

"I SPECIFICALLY RECALL BOWEN AT A SIGN"

"WHEN CLARENCE THOMAS COMMENTED ON THE PRESS I USE RESEARCH AND RESEARCH WHAT SIZE MY B... NEEDS"

"EXCUSE ME, DEAR, WE CAN'T PERMIT ALL THESE HYPERNS"

"THE HYPERNS SHALL BE SPOKEN FROM THE RECORD"

DENNIS THE MENACE

"RUFF IS JUST BARKING, TOY. HE'S TRYING TO TELL US HE'S MAD, OR SCARED, OR HUNGRY, OR HAPPY, OR THIRSTY OR TIRED"

JUMBLE

UNSCRAMBLE THESE FOUR JUMBLE. ONE LETTER TO EACH SQUARE, TO FORM FOUR ORDINARY WORDS.

YANDD

LIMYK

BIMGAT

UNRICH

Print answer here: ○ ○ ○ ○

(Answers tomorrow)

Yesterday's Jumble: DEPT TASTY PIGEON FORGED

Answer: Six has lots of friends... TO "SPEAK" OF

BLONDIE

5-28

"BERRYS YOUR MAIL, FRANKIE"

"JUNK MAIL... JUNK MAIL... JUNK MAIL... JUNK MAIL..."

"WISH YOU WAYS THAT? WOULDN'T DO THAT"

"IT MAKES ME FEEL GO USELESS"

5-28

"GO THAT'S WHY MOM WAS TALKING TO YOU!"

SPORTS FRENCH OPEN

Connors Falls to Stich in 5-Set Opener

By Ian Thomsen
International Herald Tribune
PARIS — "Why do I do this to myself?" Jimmy Connors asked. "Seriously?"

He was going to lose the match. It's best to get that news out of the way now, so as to manage the expectations, and escape the disappointment.



Jimmy Connors fought but went under, 7-5, 3-6, 6-7 (7-4), 6-1, 6-2.

Stich's serve. Stich won both, then turned around and broke Connors, and that was the match. Connors cannot win in five sets any longer. He can only try.

rowboat surrounded by roaring ocean. Unable to affect the elements. His forehead he wielded like a paddle 5 feet long. Early in the third Connors plucked a flower from the spectator railing and presented it to a woman.

Rain Delays Courier-Muster After Chang and Graf Win

By Nick Stout
International Herald Tribune
PARIS — Several thousand youngsters invaded the grounds of Roland Garros Stadium on Wednesday, taking advantage of the annual Children's Day at the French Open when a large number of tickets are reserved for them.

Ranked No. 6, Fernandez has been under the tutelage of the old-pro Harold Solomon since December. She seems convinced that her day will come. "I see things clearer now than I used to," Fernandez said.

Swing Is Back... Ila Hits Groove... [Vertical text on the left margin]

Blazers Outlast Jazz, 127-121, in OT to Move Within One

By Michael Martinez
New York Times Service
PORTLAND, Ore. — The Portland Trail Blazers, leading by 14 points in the first half, tied by the end of the third period and trailing late in the fourth, managed to regroup but still headed over to finally put away the Utah Jazz, 127-121.

But in the five-minute extra session, Portland seized the lead for good at 112-110, with Clyde Drexler showing the way with 4 points. For the game, Drexler had 24 points, as did his teammate Kevin Duckworth and Terry Porter.

Jeff Malone answered back with a basket after a pass from John Stockton. Clyde Drexler made one of two free throws, and after Portland's Buck Williams blocked a shot by Edwards at the Jazz end, the Blazers bounced back quickly when Jerome Kersey converted on a dunk off the fast break for a 53-45 lead.

Portland shot 54.5 percent in the first two quarters, getting 15 points from Kersey, 12 from Duckworth and 11 from Porter. Utah made just 44 percent, as Edwards and Stockton were a combined 2-for-12. The Malone, Karl and Jeff, totaled 21.

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Boston, New York, and Los Angeles.

Table showing scores for various baseball games, including Milwaukee vs Toronto, Houston vs New York, and Los Angeles vs Boston.

Table showing scores for Japanese Baseball games, including Yomiuri vs Hanshin, and Fukuoka vs Lotte.

Table showing scores for various hockey games, including Montreal vs Pittsburgh, and Chicago vs Philadelphia.

Table showing scores for various basketball games, including Utah vs Portland, and Los Angeles vs Boston.

Table showing scores for various cycling races, including the Giro d'Italia.

Table showing scores for various tennis matches, including Connors vs Stich, and Chang vs Graf.

Table showing scores for various other sports events, including sumo and figure skating.

Lemieux Hands Penguins Game 1

By Dave Sell
Washington Post Service
PITTSBURGH — Pittsburgh's Mario Lemieux was bussed constantly by the Chicago Blackhawks, but he broke free when it counted most and scored his second goal of the game with just 12.6 seconds left in the third period to give the Penguins a 5-4 victory over the Blackhawks in Game 1 of the Stanley Cup finals.

SIDELINES

U.S. Sumo Star Gets Champion Rank
TOKYO (UPI) — The U.S. sumo wrestler Akabono, who won the summer tournament with a 13-2 record, was promoted Wednesday to rank the second non-Japanese in the sport's history elevated to the rank of aoki, or champion.

For the Record
The Philadelphia 76ers named Doug Moe on Wednesday as coach of the Philadelphia 76ers in a top-level shake-up, replacing Jim Lynyan who took over Gene Shue's job as general manager.

The Golden State Warriors have signed Sarunas Marciulionis, a Lithuanian and formerly one of the top players in Europe, to a five-year contract worth a reported \$10.4 million.

Astrid Strauss, the former world swimming champion suspended last week after a positive drug test, won a court order Wednesday enabling her to take part in Germany's Olympic trials, which start on Thursday.

Yugoslavia may be banned from next month's European soccer championship finals in Sweden by UEFA, the European football union. The UEFA president, Lennart Johansson, said Wednesday that because of the calls for international sanctions against Serbia, "we have to review the situation in the light of what has happened lately."

Advertisement for AT&T USADirect service, featuring a cartoon character and the slogan 'Feeling Misunderstood?'.

Large advertisement for AT&T USADirect service, including a list of international phone numbers and the slogan 'Feeling Misunderstood?'.

ART BUCHWALD

No Politics, Please

WASHINGTON — I hadn't seen Greg Carr for months. When I ran into him at a political rally I was surprised that he was wearing a straw hat that said "Carr for President."



Buchwald

have discovered that the American people are always lying to their politicians. They tell the pollsters that they want to know where the candidates stand on the issues, but they don't really want to hear anything.

In Poland, a New Era Upstages Chekhov

By Mary Battiata

WARSAW — The usual humiliating vigil had begun. Once again, the curtain for "The Seagull" was delayed. The cast and audience on the small side stage of the Dramatyczny Theater cooled their heels and waited for a break in the electrified thumping from the big stage next door.



David Sauer

After the collapse of Communist rule in 1989, Kubiak played the margin between old system and new, trading profitably in Russian rubles while that was good business. He later bought up and resold commercial tax exemptions issued by the Solidarity governments, ingratiating himself with two Solidarity prime ministers, and helped fund the presidential campaign of Lech Walesa.

Prus's budget was evaporating. He needed Kubiak's rent to bankroll his plan to restore the Dramatyczny to the artistic luster it enjoyed in the 1970s. What Prus did not foresee was the astonishing popularity of "Metro."

PEOPLE

Those Who Rent Houses Shouldn't Throw Stones

As Dan Quayle criticizes the collapse of family values and Murphy Brown's husbandless motherhood, he may want to look in his own backyard. The Quayles have been renting their McLean, Virginia, house to an unmarried couple, a doctor and a lawyer raising her two children from a previous marriage.

Anjelica Huston has married Robert Graham, a sculptor, at the Bel-Air Hotel in Los Angeles. The wedding party included the model Jerry Hall, wife of Mick Jagger. The guests included Jagger, Lauren Bacall, Warren Beatty and Annette Bening.

The biggest attraction, by far, of the American Booksellers Association convention in Anaheim, California, has not been the hot new fall books or the beautifully repackaged classics or the nifty new-wave electronic publishing.

Thurgood Marshall, retired U.S. Supreme Court justice, has been named the recipient of the Philadelphia Liberty Medal. Marshall, 83, will receive the \$100,000 award during Philadelphia's July 4 celebration, the selection commission said.

INTERNATIONAL CLASSIFIED Appears on Page 2

Matisse Painting Is Found

PARIS — An early version of "The Dance" by Henri Matisse has been found in an inventory undertaken by the painter's heirs, the art critic Pierre Schneider says in the magazine L'Express.

lion francs to give to French museums to pay inheritance taxes. The paintings will be displayed at the Centre Georges Pompidou beginning June 18, the magazine said.

Poland's first commercial rock musical, "Metro," was mesmerizing another sellout crowd. Lasers strafed the huge hall; dancers pranced in black light. Rock lyrics told the story of a troupe of ragged young dancers and singers who beat the odds to put on a show.

Advertisement for AT&T Traveler's Guide. Includes 'The AT&T TRAVELER'S GUIDE' logo, 'AT&T USADirect Service' header, and detailed text about international service, access numbers in Europe, and city files for Amsterdam and Vienna. Also includes a calendar section for June and July.